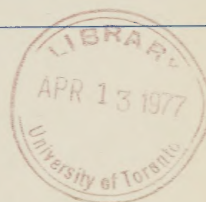


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SELECT COMMITTEE ON HIGHWAY TRANSPORTATION OF GOODS

INTERIM REPORT

SEPTEMBER 30th, 1976

MEMBERS

Iain Angus, M.P.P.
 Albert Belanger, M.P.P.
 Eric G. Cunningham, M.P.P.
 Frank Drea, M.P.P.
 John Lane, M.P.P.
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 Ed Philip, M.P.P.
 T. Patrick Reid, M.P.P.
 Richard S. Smith, M.P.P.
 Osie F. Villeneuve, M.P.P.
 John Williams, M.P.P.



LEGISLATIVE ASSEMBLY

SELECT COMMITTEE ON HIGHWAY TRANSPORTATION OF GOODS

Room 440, Main Parliament Building
 Queen's Park, Toronto M7A 1A2
 Telephone 965-1060

CHAIRMAN
 Bud Gregory, M.P.P.

CLERK
 David Callfas

September 30, 1976

TO: The Honourable R. D. Rowe
 Speaker of the Legislative Assembly of the Province of Ontario.

Sir:

We, the undersigned members of the Committee appointed by the Legislative Assembly of the Province of Ontario on May 25, 1976 to enquire into the transportation in Ontario of goods on Ontario highways, have now the honour to submit the attached interim report.

Bud Gregory
 Bud Gregory, Chairman

Richard S. Smith
 Richard S. Smith,
 Vice-Chairman

Iain Angus
 Iain Angus

J. Albert Belanger
 J. Albert Belanger

Eric G. Cunningham
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Frank Drea
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ACKNOWLEDGEMENTS

The terms of reference and the time limits assigned by the Legislative Assembly to this select committee posed a substantial challenge to Members and staff.

The Members of the Committee approached the task with vigour and a sense of purpose that enabled them to complete their work, both on time and with unanimity.

I congratulate the Members for their ability to work well together, and thank them for making the position of Chairman a very rewarding experience.

The Committee is fortunate to have an outstanding staff. It is because of the work of Mr. Max Rapoport, Q.C., Committee Counsel, Mr. Brian Caldwell, Research Director and Miss Gayle Roberts, Secretary that the Committee was able to cope with such a complex subject. Their diligence and high level of work made it possible for the Committee to hold so many of its hearings outside of the Toronto area. David Callfas, Assistant Clerk of the Legislative Assembly, assumed enormous responsibilities in not only scheduling the many hearings across the Province, but also has taken care of the physical arrangements for the Committee.

A handwritten signature in dark ink, reading "Bud Gregory".

Bud Gregory, M.P.P.
Chairman

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CHAPTER I--INTRODUCTION

The Committee was constituted on May 25, 1976, to study the transportation of goods on Ontario highways. The Legislature gave us the following Terms of Reference.

Terms of Reference

". . . to examine, investigate, enquire into, study and report on all matters pertaining to the transportation in Ontario of goods on Ontario highways, including all matters affecting or pertaining to the shippers of goods and the transporters of goods whether for gain or not for gain, the regulatory process and the public interest in general and without restricting the generality of the foregoing, including all matters relating to the following:

- in present day circumstances, types and quality of highway transportation services offered to and used by the shipping public;
- the effectiveness of the existing highway transport industry, both private and for-hire, to meet the needs of shippers and the public;
- the ability of the highway transport industry to respond to changes in shippers' needs;
- the registration of commercial vehicle ownership under the Highway Traffic Act of commercial vehicles used in highway transportation services;

- the impact of the growth in the use of owner/operators, brokers, leasing companies, driver pools on the highway transport industry and the highway transportation services to the shipping public;
- the impact of the present day regulatory process as it affects the public interest, shippers and carriers;
- the effectiveness of the test of public necessity and convenience as a device to regulate entry and its capability of uniform application;
- the relationship and impact of fleet size of individual operators to the application of a principle of control of entry into the for-hire trucking industry;
- the system of classifying carriers in relation to types of commodities, routes or types of vehicles as opposed to general classification of common or contract carrier;
- the extent to which commodities exempted from regulation should be expanded or contracted;
- the impact of rate filing, rate control and rate bureaux;
- the effectiveness of the judicial process, as it applies to highway transportation licensing legislation to achieve compliance with regulatory requirements;
- the investigatory powers necessary to enforce the statutory and regulatory requirements in the courts;
- the effect of amending sections 10 and 11 of Regulation 418 under the Highway Traffic Act to expand or further restrict the terms of reciprocity therein set out and including the

benefits to Ontario residents in acquiring such reciprocal rights in other Canadian and American jurisdictions;

--the impact of applying fuel tax and sales tax to non-resident owners of commercial vehicles operated into Ontario under reciprocal rights;

--and such other matters as may be referred to the Committee by the Minister of Transportation and Communications;

Public Hearings

We have met continuously. All members have participated. Public hearings took place in the following Ontario centres: Fort Erie, Fort Frances, Geraldton, Hawkesbury, Kapuskasing, Kingston, London, North Bay, Ottawa, Owen Sound, Pembroke, Sarnia, Sault Ste. Marie, Sudbury, Thunder Bay, Timmins, Toronto, Windsor; and also in Washington, D.C. The Committee has attended hearings held by the Ontario Highway Transport Board. It visited a truck inspection station. It examined a customs compound at the national boundary at Fort Erie and inspected a transport terminal at southwestern Ontario. We have heard nearly two hundred witnesses and have read approximately one hundred and fifty written submissions. Some of the latter were received from parties who did not attend our hearings. A list of submissions will appear in our final report.

The "backgrounder" to the appointment of this Select Committee was issued by the Ministry of Transportation and Communications on April 20, 1976. The preface states "various members of the general public, the

Legislature, the carrier industry, the shipping public and the news media have raised many questions over the operation of the Public Commercial Vehicles system. No satisfactory overall response has been developed and offered to address the criticisms which have been directed at the system . . . it is suggested that an impartial investigation by a Select Committee of the Legislature would yield extremely valuable insights into the regulatory process. Public concerns could be allayed where they are unfounded. Should any adjustment in the present system be found to be desirable, recommendations would stem from an impartial group to provide a sound basis for future policy making."

Procedure for Hearings

In order to reach the public, the Committee caused advertisements to appear in the press^{*} throughout the Province. Trade and other associations numbering about five hundred were notified by mail.^{*} Every step has been taken which in our opinion would convey notice of the existence of the Committee to all parts of the Province.

The Committee sat in Toronto for the first two weeks. It then travelled to the other Ontario centres listed previously. We have tried to accommodate everyone who asked to be heard; moreover, many people have made a special effort to accommodate us. All facets of the industry have been most co-operative.

^{*} See Appendix A for particulars.

Submissions are still being received. They will be read and considered by the Committee members and our staff. We will continue our enquiries until the time has come to sign our final report.

During our public hearings, the written submissions were acknowledged and each party was invited to read any additional material. Then, Committee members and the staff were given an opportunity to question the witnesses. In some cases, the parties were requested to return for further questions.

The Committee has benefitted from the submissions to it. There have been conflicting points of view in many cases. We have heard praise as well as criticism of the Ministry of Transportation and Communications, and the Ontario Highway Transport Board. Throughout we have tried to obtain information that could contribute to our ultimate report to the Legislature.

History

We set out briefly, in chronological order, some of the significant events of the last fifty years with a brief comment where relevant. The early history of road transport must be viewed in the light of the importance of the Canadian railways--which dominated the transportation scene during the first quarter of the Twentieth Century.

<u>Year</u>	<u>Event</u>
1928	Public Commercial Vehicle Act of Ontario, proclaimed on September 17. Operating licences were issued in that year to 325 persons for 945 vehicles.

1932 Report of the Royal Commission on Railways and Transportation in Canada, known as The Duff Report. The Commission's report has a timely sound at this time. It states that "the related problems of regulation and restriction of motor traffic on the highways could best be dealt with by a conference of the highway departmental officials of all the provinces meeting in conference at the instance of the Federal Government. At this conference the broad lines upon which, for example, the regulation of common carriers of goods and merchandise could be effected might be laid down as follows:

- (a) Schedule of rates and charges must be published.
- (b) Within that schedule common carriers must accept and carry what is offered without discrimination between shippers.
- (c) Operators must be insured against all risks, including third-party risks.
- (d) Operators must keep accounts on a prescribed system and render returns to public authorities on a common basis.
- (e) Uniform bills of lading must be used and a copy given to all shippers.
- (f) Minimum standards in regard to working conditions, including wages and hours of labour should be required.
- (g) Due regard must be had to the preservation of roads and to the safety of the public.

The Report considered the possibility of exclusive permits to common carriers and regulations for the control of contract carriers and privately-owned trucks. It concluded with the observation that "experience of the traffic alone will indicate the principles to be applied."

1933 The Public Commercial Vehicles Act of Ontario was amended to provide that applicants for operating licences must first secure a certificate of public necessity and convenience from the Ontario Municipal Board.

1934 The Public Commercial Vehicles Act of Ontario was amended to permit publication of tariffs of tolls. (It should be noted that no regulations were promulgated until March, 1963.)

1936 The Public Commercial Vehicles Act of Ontario was replaced by the Commercial Vehicles Act, wherein commercial vehicles were classified as either "public" or "private." (It should be noted that licencing of private vehicles under this Act was not implemented.)

1938 Royal Commission on Transportation in Ontario. The Order-in-Council directing this Inquiry was passed on August 26, 1937. It is known as The Chevrier Report and it was issued on December 23, 1938. It found in favour of:

1. Necessity for Regulation.
2. "The duty of the controlling authority should be confined to insurance of the dependability of service, protection of the public against extortionate charges, discrimination and

unfair and ruinous competition, the exploitation of labour, dangerous equipment and hazardous operating practices. It should afford protection of the licensed operators in their legitimate interests. Basic regulations should be made applicable to all commercial vehicles, whether they be publicly or privately operated."

3. Regulation of rates.

4. Formation of a Transport Board.

5. Exemption from regulations concerning the hours of work or wages involved in the operation of trucks owned and operated by farmers or by the farm co-operatives.

1949 The Commercial Vehicles Act of Ontario was replaced by the Public Commercial Vehicles Act.

1951 Royal Commission on Transportation in Canada. It dealt with rail rates and national transportation policy, and is known as The Turgeon Report.

1954 The Motor Vehicle Transport Act of Canada was passed, following the decision of the Privy Council in the historic case of Attorney-General for Ontario and others vs. Israel Winner, doing business under the name and style of Mackenzie Coach Lines, and others.

1955 The Ontario Highway Transport Board (O.H.T.B.) was formed.

1957 The Ontario Department of Transport was created.

1958 O.H.T.B. Report on Bills of Lading.

- 1961 Royal Commission on Transportation in Canada.
It dealt with the problems relating to railway transportation in Canada, and is referred to as The McPherson Report.
- 1963 Regulations prescribed under The Public Commercial Vehicles Act of Ontario for the publication of rates.
- 1966 Report of the Ontario Highway Transport Board, "A Study and Review of Public Commercial Vehicles in Ontario." The terms of reference appeared in the Ontario Gazette on October 24, 1964.
- 1967 The National Transportation Act, Canada, was passed.
- 1973 The current leasing provisions of the Ontario Public Commercial Vehicles Act were introduced.
- 1975 Operating licences issued to 9,924 persons for 45,621 vehicles. The number of licensees has increased from 1928 by 3,000%.*
- 1976 Bill 4 was introduced in Ontario Legislature to amend the Public Commercial Vehicles Act by closer regulation of leasing commercial vehicles. The intent of the Bill was to end two-way trip leasing. Because of the complexity of this and many other industry problems, the Legislature decided on May 25, to investigate highway transportation of goods, and this Committee was then established. The Bill was left standing in the Legislature after second reading. It is attached as Appendix D hereto.

* See Appendix B for statistics.

Railways

In the preceeding pages, we outlined the history of prior reports on transportation. It is apparent that railway problems occupied a major part of the attention of inquiring bodies during the last half century.

Railways preceeded road transport as the major method of the movement of goods and passengers in this Province. Railways were highly regulated, even though they operated on private rights-of-way. Rates and conditions of service came under Federal surveillance. Labour was organized by large, powerful unions. The two major railways of Canada operated more miles than any other railway companies in the world. Fifty years ago, the continued existence of the railways was essential for the economic welfare of this Province.

It is against this background that we now view road transport. Once the shipper relied solely on the common carrier by rail. Railway regulation in the years between World Wars I and II was designed to control the rail monopoly of land transport. Control was exercised by the Federal Government through various Boards and Commissions at Ottawa, and railways continue to be regulated by the Canadian Transport Commission.

Now the shipper can provide for his own carriage--free from compliance with operating authority and subject only to commercial rules as in traffic, labour and revenue laws. The shipper is no longer tied to a rail siding. He may buy or lease a truck and the vehicle can be driven by his own employee or by someone drawn from a driver pool. He can also arrange delivery by a road transport company. In most areas of the

Province, he has a choice of two or more road carriers. He also has the opportunity of appearing before a provincial board to establish the need for a so-called "contract" carrier, which is designed to suit the shipper's requirements.

In examining this new freedom and the modern choice of the means of transportation, we are mindful of the continuing impact of the railways. In some countries of Europe, ownership of railways by the state is a significant factor in policy considerations. In Canada, the railways own large fleets of trucks which operate throughout the country. The railways participate extensively in intermodal carriage of containers--whether as large boxes or as trailers on wheels. Thus, our examination of the movement of goods by road may result in conclusions that differ from former inquiries, insofar as there has been a great variation in the relative importance of rail and road transport. In 1976, the shipper of goods has a wider selection of transport than ever before.

Federal Regulation of Road Transport

Under existing legislation, a person operating an extra-provincial road transport undertaking must notify the Canadian Transport Commission when he proposes to acquire the business of any person whose principal business is transportation, whether or not such business or undertaking is intra-provincial or extra-provincial. The Commission publishes the notice in the Canada Gazette and also notifies the Combines Investigation officials.

Under the Federal Lord's Day Act, the Canadian Transport Commission may authorize any work on a Sunday which it deems necessary to prevent undue delay. On the next page we have shown particulars of applications for authority to operate on Sunday. We will comment further in our final report with reference to the position of the Government of Ontario.

It should be noted that the Federal Ministry of Transport continues to show signs of interest in the further regulation of extra-provincial road transport, and sent representatives to a meeting held in Toronto on September 1st and 2nd, 1976. We understand that the offices of the Ontario Ministry of Transportation and Communications and all other corresponding Ministries in the other Provinces of Canada had been visited previously by officials of the Federal Ministry of Transport.

In any event, we have proceeded on the assumption of continued provincial control over commercial vehicles on provincial highways. If and when the present legislative control is changed, many of our recommendations should be reviewed.

Most of the trucking labour disputes, many road vehicle equipment standards, a significant portion of highway transport acquisitions and mergers, Sunday trucking, the carriage of hazardous commodities, inter-modal movements, and combines investigations are now under Federal control. There is therefore a substantial involvement of the Federal Government in the transportation of goods on Ontario highways.

Sunday Trucking

APPLICATIONS UNDER SECTION 11(x) OF THE LORD'S DAY ACT

<u>Applicant</u>	<u>Disposition</u>
1. Day & Ross Ltd.	Approved July 28, 1969
2. Maislin Bros. Transport Ltd.	Approved July 29, 1969
3. Big Valley Supply	Denied October 3, 1974
4. George Smith Co.	Approved October 25, 1974
5. Reimer Express Lines Ltd.	Approved December 12, 1974
6. Imperial Roadways Ltd.	Approved December 12, 1974
7. Mercury Tanklines Ltd.	Approved May 2, 1975
8. Oil & Industry Suppliers Ltd.	Approved May 2, 1975
9. Great West Transport	Approved May 9, 1975
10. Alltrans Express Ltd.	Approved May 23, 1975
11. Kwikasair Ltd.	Approved May 23, 1975
12. Soo-Security Motorways Ltd.	Approved May 23, 1975
13. G.M.F. Transport Ltd.	Approved June 6, 1975
14. Motorways(Ontario) Ltd.	Approved June 9, 1975
15. Melburn Truck Lines (Toronto) Co. Ltd.	Approved June 13, 1975
16. Zavitz Bros. Ltd.	Approved September 11, 1975
17. Atomic Interprovincial Trans. (Eastern) Ltd.	Approved November 21, 1975
18. Canada Cartage System Ltd.	Approved December 17, 1975
19. Kingsway Dalewood Ltd.	Approved
20. Kingsway Freightlines Ltd.	Approved
21. Commercial Construction (Woodstock) Ltd.	Approved July 12, 1976
22. Canadian Engineering and Contracting Ltd.	Approved July 12, 1976
23. Clark Transfer Inc.	Decision Pending
24. Granny's Country-Oven Bakery Ltd.	Decision Pending

We note the result of a meeting of provincial ministers, held at Quebec City on September 15, 1976. At that time, the Ministers strenuously opposed the expressed intention of the Federal Government to introduce Federal legislation to control truck operations crossing provincial borders.* The interim report of this Select Committee does not take into consideration whatever Federal legislation may be introduced after September 30, 1976. This report does not contemplate any Federal legislation and assumes the continuation of provincial control over extra-provincial road transport as now provided in The Motor Vehicle Transport Act of Canada.

* See Appendix C for press release by the Ministers.

CHAPTER II--PRINCIPLES OF REGULATION

"Backgrounder"

As stated in the "Backgrounder" issued by the Ministry of Transportation and Communications* prior to our appointment--

"The provision of transport services on a for-hire basis has been a traditional activity of entrepreneurs for centuries. The evolution of surface carriage on public rights-of-way has come a long way from the horse and dray of medieval Europe to today's capital intensive transcontinental trucking firm, employing thousands of men responsible for sophisticated transports capable of hauling fifty tons of goods at high speeds over modern roads.

"In the evolution, several inherent characteristics of the industry have become apparent. The glamour of independence draws many individualists into the industry. Many of these people are not trained in management processes; most of them start out with insufficient marketing data with which they could justify their decision to enter the industry in the first place.

"Low technological requirements of the industry effectively remove lack of skill from being an entry barrier. In addition, the low capital requirements for initial entry act as a heady inducement to would-be entrepreneurs. As a consequence, chronic conditions of over-supply prevail. This has led to a history of instability wherever industry entry has not been controlled. In fairness, it must be stated that the large and medium size trucking firms which exist within the Ontario economy have a great deal of sophistication in their management.

"Nevertheless, in those jurisdictions where entry control did not exist in the early days of the trucking industry's growth, conditions of chaos existed for the users of the service, as well as the providers. Shippers would find that carriers with whom they contracted for carriage were improperly insured, or not insured at all, so that lost or damaged goods became a shipper liability; that the vehicles were unreliable, due to poor maintenance; that the drivers were overworked and less than careful with the goods and that the carriers were unreliable even as to their very existence.

"In summary, the 'here-today-gone-tomorrow' character of the industry imposed a real loss upon the economy at large.

* April 20, 1976

"These symptoms were the direct result of an excess of supply of transport services. This led to frantic cost-cutting, beyond the limits of prudence, by all carriers as they struggled to survive.

"In places, social unrest characterized the operators' expressions of dissatisfaction with the circumstances. It is small wonder that authorities responded to these situations by instituting a system of entry controls which were designed to: protect the shippers by ensuring that a stable and adequately financed source of supply was available to them, and to protect the operators against destructive competition by controlling industry growth.

"Regulation can and does go beyond entry control. It can embrace conditions and methods of providing service, the tariffs to be charged for such service, safety of the equipment used, protection of the employees' conditions of work, limiting the right to stop servicing, and many offshoots of the foregoing. However, in its simplest form it is an attempt to protect three parties; the shipper, the carrier, and as a consequence of these two, the general public interest."¹

The Nature of Road Transportation

Transportation is important to society. The invention of the wheel introduced a new use for energy. Roads make possible the movement of goods from the point of supply to the point of demand. A surplus at one place may be a necessity at another place. People produce goods which can be exchanged for other goods.

Transportation as a development tool has the ability to assist in the bringing of equity to people, to communities, to producers and to our society in general. Transportation makes more land accessible and thus has an impact on the value of that land. It makes wider markets accessible and thus it affects investment. It moves energy and consumes energy.

Of 3,260 Ontario communities served by the regulated trucking industry, only 943 or 28.9% are served by rail.² Small communities are vital to Ontario. They not only contribute to our provincial economy, but also to our way and style of life. Regulation is important to these small communities to ensure their economic and social survival. A large percentage of these communities ship by truck for outgoing products and rely on trucks for their inbound shipments.

There has been an undeniable growth of the highway sector of the transportation system. Impetus to longer hauls was given by the railway strike in 1950. Trucks then started operations from Ontario to the east coast and to the west coast. This was a milestone in the growth of the industry. In 1974, the regulated truck industry in Ontario earned some 1.2 billion dollars.³ When that is compared to the expenditure of 4.5 billion dollars on all transportation in Canada,⁴ the significance of highway transportation in this Province is apparent. The regulated industry in Ontario employs approximately 60,000 people.⁵ These figures do not include the movement of highway goods by private and by unlicensed carriers.

Some of the factors affecting the choice between railway and truck transport are shown under "subjective factors" on Table I. This table is drawn from a recent study by the Ministry of Transportation and Communications.⁶ Selected shippers were surveyed and this table presents figures to indicate the relative importance of seven factors in the shipper's decision to choose a particular mode. For example, 41.8% of those surveyed who used truck common carrier stated their prime reason for selecting common carrier was "speed of delivery."

TABLE I
"SUBJECTIVE" FACTORS AFFECTING MODAL CHOICE
DIFFERENT TRANSPORT MODE USERS COMPARED
PERCENT OF SHIPPERS*

Factors (i)	Truck Common Carrier Users (j)	Private Truck Users (j)	Rail Users (j)
Speed of delivery	41.8	44.8	18.2
Readily available	24.1	31.0	4.5
Good with respect to loss and damage	13.9	13.8	9.1
Low cost	43.0	62.1	50.0
Distance	10.0	20.7	13.6
Commodity characteristics	8.9	10.3	9.1
Other aspects of service	10.1	10.3	13.6
Other	26.6	24.1	31.8

* Defined as: $100 \times \frac{\text{Number of shippers who mentioned factor i and whose major mode of transport is j}}{\text{Number of shippers whose major mode of transport is j}}$

It is in the public interest to ensure that Ontario has:

- (a) the ability to move goods;
- (b) the flexibility to expand, contract or shift that ability in recognition of changing market situations;
- (c) the flexibility to move goods to assist in the achievement of objectives outside the transport system;
- (d) the ability to control the movement of goods so that it will be:
 - (i) safe
 - (ii) energy efficient
 - (iii) equitable in its availability
 - (iv) regular and stable
 - (v) affordable.

The whole question of the use of transportation policies to equalize consumer costs in the Province will be dealt with in our final report.

Policy Considerations

The need for these abilities forms the basis for government involvement in the highway transport industry. We have been told that for-hire transportation should be the servant of industry and not its master. Beyond that, however, we recognize that the movement of goods is a public necessity and must serve not only industry but also the greater area of public interest.

One way to serve the public interest is to increase the knowledge of both the carrier and the shipper. Information as to competing modes, prices and transportation techniques, and methods of operation should be made available by government. Shippers, both large and small, must be in a position to judge the merits of the various types, classes and varieties of road transport, and to exercise that judgement as they see fit.

The Ministry of Transportation and Communications, together with the Ministry of Industry and Tourism, has been offering a consulting service to small shippers in Ontario. Both ministries provide access to data and to qualified experts in related areas. We are also aware of the work of the Advisory Council on Energy Management Workshop in 1975. This group was composed of industry and government representatives. We will report further on these efforts in our final report. These are two examples of industry-government cooperation which will help increase mutual knowledge and market transparency.

The recent experiment in subsidizing transportation movements to Northeastern Ontario has not produced the desired result.⁷ The subsidization of freight rates on industrial supplies and products was not an effective means of stimulating economic activity in that area. A reduction of freight rates on selected consumer goods had only a slight effect on reducing end prices to consumers. The savings which did accrue to the consumer were extremely small in relation to the purchase price.

It is the desire of this Committee to establish objectives together with policies designed to achieve these objectives. We have been unable to find clear objectives in the Public Commercial Vehicles Act of Ontario,

and the regulations thereunder. Constant amendments have been of the "adhesive tape" or "patchwork" variety. The existing legislation requires revision in order to establish a cohesive statute. It is hoped that the reports of this Committee, if and when expressed in statutory form, will indicate the policy of the Legislation and form a basis for future action by the Ministry of Transportation and Communications.

For instance, licences issued under the Public Commercial Vehicles Act of Ontario should state expressly and clearly the intent of the legislation to insure that the licensee fulfills his social responsibilities. The operating authority implies obligations to serve the public interest as well the creation of privileges to use the highways.

Deregulation

It is difficult to report in a few pages the many views presented to us. While there were some individuals and organizations who thought otherwise, the overwhelming view of industry was against total deregulation. Those in favour of deregulation, including the Organization of Independent Truckers, the Canadian Manufacturers Association, and the Canadian Federation of Independent Business, seem to have relied on the identical academic authorities for support. We were puzzled to find that the views of the Ontario Division of the Canadian Industrial Traffic League differed from the views of the Canadian Manufacturers Association. The Chairman of the Canadian Industrial Traffic League, the national body, was a member of the delegation of the Canadian Manufacturers Association. Moreover, the few substantial manufacturers which took the

time and trouble to appear before us did not concur with the opinions expressed in the brief of the Canadian Manufacturers Association.

It is impossible, in our view, to quantify all the pros and cons of economic regulation; and it is equally impossible to predict quantitatively what the effects of economic deregulation would be. Thus, we base our conclusion admittedly on opinion, but opinion which we believe to be practical, realistic, concerned, reasoned and unbiased.

We believe that it is prudent to retain economic regulatory controls over the movement of goods on Ontario highways. To retain capability for that movement is an absolute necessity; to retain influence and control over the shape and nature of that movement is clearly in the public interest.

The Canadian Manufacturers Association brief began with the following quotation:

"The primary thrust of policy in our view should be to promote adaptability and flexibility in the economy and to provide both pressures and incentives to develop new products and services as well as new methods of production and distribution which will more effectively meet the needs and desires of society. Protected positions, whether protected by the government, by custom, or by private organization and manipulation, should be laid low and be critically examined in the list of these broad purposes."⁸

The Committee agrees, although we have arrived at a different conclusion on how best to achieve these lofty objectives.

The Canadian Manufacturers Association "seeks a system that will be competitive and efficient."⁹ The Organization of Independent Truckers stated, "/We/ favour the proper regulation of the transportation industry to ensure that the shipping public receives safe, reliable and economical service."¹⁰

The Canadian Federation of Independent Business stated their "basic objective is to promote and protect the free competitive enterprise system in Canada . . . our concern . . . is a case of favouring the interests of the . . . public in general who are consumers of trucking services."¹¹

The Committee agrees with all these goals, and we go farther, to state that there are other public objectives which can only be met by an efficient, safe, reliable goods movement industry. It is for that very reason that economic controls are required.

Entry to the industry is relatively free from the point of view of investment, although the cost of equipment is increasing, as are the costs of labour and fuel.

There is a considerable difference of opinion with respect to economies of scale, although we feel that there are some economies in less-than-truckload operations. To the extent that this is true, a scale barrier to entry would tend to exist here, where it is generally agreed that it would not in truckload operations. The cost structure of less-than-truckload operations will be significantly different from truckload operations, and show more investment than truckload operations (with similar on-road equipment) and will tend to be more labour intensive.

There are traditional arguments in support of regulation centred on the following beliefs about deregulation, namely that it would:

- (1) lead to chaos
- (2) result in non-compensatory truckload rates
- (3) limit the supply of trucks

(4) result in poorer service and/or higher rates to small communities

(5) result in more unsafe trucks

(6) impede technological development by loss of capital investment

motive

(7) lead to instability of employment

(8) simply not have the affects that the proponents feel it would.

Those who favour deregulation say that regulation results in:

(1) higher costs

(2) misallocation of resources (empty backhaul)

(3) uncompetitive supply market.

They believe that deregulation would return the highway transportation industry to more competitive market forces which, on balance, would lower rates.

Continued regulation on the other hand is favoured because it ensures stability, growth, capital investment, wide service and reasonable rates.

We believe based on testimony of the Chairman of the Ontario Highway Transport Board and other individuals who have appeared before the Board, that entry to the industry can be gained,¹² and that, therefore, there is a competitive injection to the supply side on a continuing basis.

We observe and find relevant the experience of the dump truck industry in Ontario. Deregulation did occur in that industry and relative chaos was the result.

In a 1975 report on the trucking industry published by the Canadian Transport Commission, at page 25, the following appears:

"In Alberta (during the years 1950 - 1972) where there was unrestricted entry and rates were unregulated, relatively more bankruptcies were caused by low rates and excessive competition, resulting in 13.2% of the Province's total bankruptcies. These factors accounted for only 5.8%, 6.6% and 7.7% of trucking bankruptcies in Quebec, Ontario and British Columbia respectively."¹³

Another source states that:

"The highway transportation industry is a high risk business. The risk level would be increased tremendously for the industry /by deregulation/ if industry returns are currently inadequate to compensate for the added risk incurred. Deregulation would hasten the flow of capital away from this industry. . ."¹⁴

These comments imply two things to the Committee (1) that the small man still has an opportunity to enter the industry in Ontario, and to exercise his democratic right to compete in business; and (2) that, if the industry were to be unable to attract sufficient capital it would have dire affects on the industry and on the goods distribution system generally.

The point about risk and capitalization bears further comment. Long term debt in the industry is generally high. For Ontario licensed carriers, the percentage of debt to capital is 64.1% on average.¹⁵ Carriers must depend on a steady cash flow to service this debt, and to the extent that deregulation would reduce cash flow, it would make debt servicing more difficult, if not impossible.

We are not satisfied by the arguments of the deregulationists in reference to the experience in other jurisdictions. We have met with the U.S. Department of Transport, who support the principle of deregulation and are reviewing testimony and documentation provided us. We do not know whether that principle will receive Congressional approval. We met as well with the Interstate Commerce Commission and the American Trucking Associations, and are reviewing their side of the argument. We have called and heard testimony from experts from Australia and England who take a view diametrically opposed to those who claim the benefits of deregulation in those countries.

In short, we have found the arguments for deregulation based on these countries to be contradictory and inconclusive.

We must have due regard to the fact that Ontario is surrounded by other jurisdictions, all of whom regulate domestic, interprovincial and foreign, road transport.

Deregulation in Ontario could lead to a "take-over" by regulated carriers from outside Ontario. In effect, Ontario carriers would fare badly in their ventures outside the Province while the carriers from the regulated areas could operate without restriction throughout the Province. This happened in Alberta. After complete deregulation by the Social Credit Government, that Province found great dissatisfaction by Albertans in respect of extra-provincial traffic. As a result, controls and restrictive measures were brought back to regulate truck movements crossing Alberta boundaries.

Taken in context with our statement that the movement of goods by highway must be available and must be controllable, the case for government regulation becomes in truth, much broader.

Without regulation:

- No one would certify that carriers have the necessary fitness to serve the public.
- There would be no assurance that a carrier must be properly responsible in case of loss and damage, or for the collection and payment of C.O.D. accounts.
- It would not be possible to prevent a carrier from picking and choosing customers.
- There would be an absence of rules for the protection of inexperienced consumers (such as housewives) when they have their household goods moved.
- It would be difficult to settle disputes between shippers and carriers and between carriers and other carriers.
- There would be a tendency in some cases for carriers to charge what the market would bear.
- There is doubt as to who would serve small towns and communities or whether they would be served at all.
- It is to be expected that big shippers would wring concessions out of small carriers.
- It would be awkward to come to the aid of the consumer who found his only recourse in a transportation dispute was to go to court.
- There would be no effective protection against monopoly pricing and destructive competition.
- The customers of the transport companies would not have channels for complaints other than to the carriers themselves.

--New products would be less likely to be marketed without
a stable transportation rate system.

Fleet Size

We found no evidence to support a limitation on fleet size, and it is not intended to develop this subject further in this interim report.

Dump Trucks

We are aware of the problems affecting the dump truckers and will address ourselves toward their solution in our final report.

In Toronto and in almost all other areas of the Province visited, submissions were received by the Committee from the operators of dump trucks regarding on-going difficulties in their segment of the industry. The operators of these vehicles impressed upon the Committee, time and time again, the need for implementation of the new Ontario "R" licence classification and withdrawal of regional designations, together with a two-year or longer moratorium on the issuance of these licences. The question of payment for service was raised. The dump truck operators object to the current practice of being paid less than the rates approved by the Ministry of Transportation and Communications for their contracts. The problems arising from disparity in the types of scales used at pits and quarries causes problems for dump trucks. More discussion between this Committee and the Ministry of Transportation and Communications regarding the report of the Ministerial Inquiry, dated June 10, 1975, will take place before our final report is submitted.

References

¹Backgrounder to Hon. James W. Snow's statement to the Legislature, April 20, 1976.

²Ontario Trucking Association brief, (Appendix 7).

³O.T.A. brief, (Appendix 4).

⁴Canadian Industrial Traffic League brief, p. 4.

⁵O.T.A. brief, (Appendix 5, p. 8).

⁶Truck Transportation in the Province of Ontario, Phase 2, Survey of shippers.

⁷Freight Rate Reduction in Northeastern Ontario, a program of the Ministry of Transportation and Communications, 1975. For a description see "Freight Rates and Regional Development, A Look at Northeastern Ontario" by R. G. Summerley, Ministry of Transportation and Communications. A paper prepared for the annual conference of Roads and Transportation Association of Canada, September, 1974.

⁸Canadian Manufacturers Association brief, p. 1.

⁹C.M.A. brief, p. 2.

¹⁰Organization of Independent Truckers brief, p. 64.

¹¹Canadian Federation of Independent Business brief, p. 17.

¹²"86.3% of all new applications are granted." E. J. Shoniker, in testimony to the Committee, June 29, 1976.

¹³The Canadian Trucking Industry; Issues Arising out of Current Information, (The Canadian Transport Commission, April, 1975) p. 25. Quoting: Bailie, G Trucking Bankruptcies in Canada.

¹⁴Trucking Regulation Reform Act Investment Research Paper (Blyth, Eastman & Dillon & Co., November, 1973) p. 5.

¹⁵Ontario Trucking Association submission (letter from R. J. Zimmerman, Q.C. to D. Callfas, Dated September 15, 1976).

CHAPTER III--UNLICENSED TRUCKERS

Confusing Terminology

The Committee is deeply concerned with the conflicting allegations concerning the nature and extent of the activities which are described as "leasing," "brokers," "pseudo-leasing," "buy-sell," and which are conducted outside the terms of the Public Commercial Vehicles Act.*

Early in the proceedings we heard from licensed carriers who pointed out, with vigour, that they were independent. This pattern continued during our sittings throughout Ontario. It is, therefore, apparent to us that it would be factually incorrect to regard the members of the Organization of Independent Truckers as being the only independent carriers of goods for hire on Ontario highways. We regard the members of that Association as unlicensed carriers.

Broadly, in terms of regulatory law, we may identify operations in Ontario by two categories:

- (1) Licensed--where the shipper calls upon a "for-hire" operator to transport his goods for compensation. Such "for-hire" operations are licensed under the Public Commercial Vehicles Act.* Carriers obtain authority to operate and are licensed according to the service they provide, and the type of vehicle operated.
- (2) Unlicensed--such operations are not licensed under the Public Commercial Vehicles Act.* Carriage is identified by the following types:

* and/or the Motor Vehicle Transport Act.

- (i) Private: The shipper has integrated into the transportation field and ships his own goods. This is done in either one of two basic ways:
 - (a) the truck is purchased; or
 - (b) the truck is leased.
- (ii) Exempt commodities are being transported. Section 2(2) of the Public Commercial Vehicles Act mandates that vehicles which carry products of the farm or forest need not be licensed under the Act. Therefore, there will be "for-hire" carriers which, by virtue of their hauling "exempt commodities" need not be licensed.

The usual division of road transport is into two groups: for-hire and private. However, real life experiences never can be defined or identified so exactly. They cannot always be black or white. The lines of demarcation are not sharp. An element of uncertainty will persist.

There are always people who, motivated by a desire to live freely, to make a profit, to innovate or perhaps by the very excitement of living on the fringe of legality, will involve themselves in activities in the gray area, the area between legality and illegality, where the establishment has not ventured, or for whatever reason, feels it cannot venture. This is true in any area of business endeavour, and it is true in highway transportation. It has occurred in transportation, it seems, at a growing rate.

We note the constant attempts to resolve this problem by legislation. We are familiar with Bill 4 of the recent Session of the Legislature.

* See Appendix D.

We have also examined a truck inspection station, previously known as a "weigh scale." Much evidence was given to show that enforcement by means of such installations is ineffective. There cannot be enough inspection stations or manpower to achieve the objective of a reasonable measure of enforcement. We do not think the expenditure of money to establish additional inspection stations can be justified because they cannot be operated around the clock seven days a week. In any event, there is undoubtedly a very large amount of goods being transported for compensation in vehicles which are not licensed under the Public Commercial Vehicles Act of Ontario and which do not pass through the inspection stations. These stations do, however, serve an essential purpose in the enforcement of safety and weight provisions of the Highway Traffic Act.

We have listened to, and reviewed the evidence from the Ministry, and from unlicensed and from licensed carriers. For all licensed carriers, the unlicensed carrier is anathema. He is an "independent," but he is a "gypsy."

The Ontario Trucking Association comments on the impact of unlicensed carriage:

"In terms of Ontario, where the regulated industry had a gross revenue of 1.2 billion dollars in 1974 . . . we have estimated the loss at 10% or \$120 million of gross revenue to unlicensed carriage . . . (which may include losses to bona fide private operations)."¹

The same association in its brief states that the freight moved under these conditions is "confined to high volume, high load factor traffic."² The Association and virtually all licensed carriers take the view that "the loss of the very substantial revenues, which we estimate have been lost to illegal operations . . . is a matter of serious concern

not just to the regulated for-hire carrier industry, but to the public of this Province who depend upon for-hire truck transportation for the carriage of goods . . . failing the unlicensed operator whose interest does not run to the carriage of less attractive freight."³

The Organization of Independent Truckers states, "(Our members) provide service to Ontario shippers outside the scope of the licensing provisions of the PCV Act. The members of the Organization of Independent Truckers provide trucking services either by leasing their trucks to shippers sometimes on a one-way haul, or by purchasing the goods to be transported . . . and selling them to the ultimate purchaser of the goods . . ."

"The Select Committee must ask itself," the Organization of Independent Truckers continues, "why the number of independent truckers in Ontario has grown so large. Why, if the estimate of the O.T.A. is correct, are independent truckers carrying over \$80,000,000 of freight every year in Ontario?"⁴

The Committee was interested in the testimony of a licensed carrier, given in Pembroke,⁵ indicating that he in fact lost freight to an unlicensed carrier. Rather than let it continue, he, as a licensed carrier "ran a sale" and undercut the price offered by the unlicensed carrier. This tariff was not filed and, hence, the licensed carrier was breaking the law. The result, however, was that the unlicensed carrier moved on; the licensed carrier regained the freight and eventually set a tariff higher than his "sale" price, but lower than what had been the tariff originally.

The point at issue is the Committee's view that licensed carriers are also, in some cases, breaking the law by cutting tariffs, by trip leasing, etc., to compete with the unlicensed carriers.

We are of the view that a situation which breeds a disrespect for a law, the principles of which we believe to be in the public interest, cannot be allowed to continue.

Inspection and Enforcement

We note that the Highway Carrier Sections in the Regional Operations Division of the Ministry of Transportation and Communications employ staff of approximately one hundred and eighty officers, and operate forty-eight truck inspection stations, sixty-five patrol vehicles and twelve portable scale units. These Sections deal not only with the enforcement of the licensing and regulation of "for-hire" vehicles but also provincial safety and weight laws affecting all commercial vehicles. The number of pending prosecutions for alleged violations of the Public Commercial Vehicles Act and the Motor Vehicle Transport Act is approximately one thousand. It may well be that changes in enforcement procedures will be required. We intend to deal with this subject in our final report.

Buy and Sell

We do not generally subscribe to the buy and sell type of arrangement which has the effect of camouflaging a for-hire operation as private carriage. We recognize at the same time that goods, particularly agricultural commodities are bought validly by a trucker, and sold by the trucker to whomever he can. The arrangement is not, however, subject to

a direction by the "shipper" as to where the goods are to be "sold." While this need must be recognized, the nominal buy and sell transaction must be eliminated.

Leasing

The subject of leasing is a complex one, made more so by the ingenuity of those who devise camouflaging techniques to conceal the true for-hire nature of their transportation operation. The right to transport one's own commodities in one's own truck has been inviolate. Leasing is an alternative to purchasing a vehicle and is viewed so, not only in respect of commercial vehicles, but private automobiles as well. We must recognize the contribution of private transportation of goods to the Ontario economy. We have noted the trend towards an increasing use of private transportation generally in Ontario and recognize that this too has had and will have an impact on licensed for-hire carriage. We intend to devote later chapters in the final report to private carriage. The indication in the Ministry of Transportation and Communication's report, Truck Transportation in Ontario, Phase I (p. 72) that significant portions of private carriage are devoted to long haul operations is somewhat confusing. While this may indicate only a total interest in service, in the system concept, it is somewhat inconsistent with traditional opinions regarding the role and economics of private trucking.

Leasing companies indicate they provide an alternative to truck ownership, both for shippers and for for-hire carriers. One of the leasing companies claims that "70% of our business is derived from

customers already owning their trucks . . . they do not always (lease) only because they can lease for less than they can own it . . . most of our long term lease customers use leased equipment because of 24-hour service, predictable cost, substitute vehicle availability . . ."⁶

When a truck is properly leased, the lessee assumes total control of the vehicle for the duration of the lease, insofar as its use, its routings and its drivers are concerned. The lessee can draw a driver from within his own company or from one of many driver pools.

We believe that the decision to become involved in private transportation is a right. The physical activity of operation on the public highway is a privilege, which will always be afforded as long as the operations are responsible and in accordance with the laws of the Province respecting vehicle operations generally. Consequently, the decision to lease or buy is a business decision, and one which this Committee would not wish to disturb. In leasing, however, the rule must be sacrosanct that the lessee has control over the driver. We say that while recognizing the interest of the lessor to ensure that the drivers of the vehicle are competent to operate the vehicle.

Oral testimony indicated that it was important for the lessor to ensure that drivers are competent. There exists a very fine line between this interest and exerting influence or control over the drivers. We think that the Classified Drivers Licence System when implemented will provide the public in general and leasing companies in this instance, assurance that drivers of large commercial vehicles are competent and medically fit. We find it possible, therefore, to endorse the principle that "leasing" connotes renting and servicing equipment only. There

must be no control or influence of routing, or driver selection by the lessor. The gray area in leasing involves the distinction between leasing a vehicle (with concomitant service) and leasing a broader service (the vehicle plus a driver or terminals, or distribution capability). We believe that where more than vehicle equipment and service is provided, the operation becomes for hire in its nature.

This leads us to a consideration of driver pools. There must be no connection between driver pools and vehicle leasing companies. The Ontario Trucking Association comments "of the driver pools reporting to the Workmen's Compensation Board, we have been able to identify sixty-seven whose principal is directly related to or works for another individual engaged in vehicle leasing."⁷ (The total number of driver pools investigated was one hundred and seventy-four.)

We suspect that there are many more cross-relationships in existence, and would not be surprised to find that some of the same relationships exist in the for-hire industry which is becoming more and more involved with leasing itself. Whether this is true or not is not important. These cross-relationships wherever and however they might exist, destroy the principle of true vehicle leasing and must not be allowed to continue. We, therefore, recommend that all driver pools be registered, indicating their principals and declaring their non-affiliation with any leasing company or for-hire company. Unregistered activities will be subject to severe penalties. While the Committee takes the view that registration should take place without delay, a more detailed proposal on the operation of driver pools will appear in our final report.

Trip Leasing

The principles of trip leasing have been dealt with previously. Bill 4 has been referred to and represented an attempt by the Government to make two-way trip leasing illegal. The amendment would have required that a valid lease must provide for the return of the vehicle to the place from whence it was leased. The principle was that trip leasing with a driver was more akin to for-hire carriage.

The Committee has heard many representations regarding the activities of unlicensed carriers, but "trip leasing" has for us, come to epitomize the problem. It is a symbol. We believe that there is nothing inherently unstable with a lessor, leasing a vehicle to a shipper or carrier for a single trip, as long as no control exists over the driver, or put the other way, as long as the lessee takes full control of the vehicle for the duration of the trip. But this must be distinguished from a case where there is complicity between the lessor and the driver. It has been submitted to us that "there is nothing illegal about one way rental, regardless of vehicle size, as long as the supplier of the equipment does not supply the driver. So long as the driver and vehicle are thus separate, the legitimate shipper may legally choose one way shipments . . . the return of the vehicle to the 'point of receipt' is irrelevant as long as the 'driver pool' and the lessor are unrelated entities."⁸

The use of the word 'lease' to describe the activity which we will recommend be permissible under law, is in a sense misleading. The arrangement we recommend does not involve the lease of the vehicle as normally understood and as described above. The arrangement is between

two for-hire carriers, both of which are licensed under either or both the Public Commercial Vehicles Act and the Motor Vehicle Transport Act. One of the two parties to such a "trip lease" will lack the authority to move the load or make the trip in question. The vehicle and its driver will be engaged for the purpose of backhaul to avoid the movement of the vehicle which would otherwise be empty or less than full. In this case, the vehicle and its driver may be engaged to deliver a load to the lessee carrier which would otherwise be contrary to the operating authority governing the movement of the lessor's vehicle.

In the United States, trip leasing is allowed in certain situations. Trip leasing can occur with a licensed for-hire carrier. It cannot occur between a shipper and the lessor, nor between private and for-hire carriers.

"Vehicles leased on a per trip basis are those of other regulated carriers or those owned and operated by individuals, agricultural cooperatives or commercial firms that have used such equipment in prior movements of exempt commodities . . . drivers of such equipment may be regular carrier employees, persons engaged in exempt hauling, whose equipment is trip leased on an isolated basis, or persons⁹ whose equipment is trip leased on a sporadic or regular basis."

The Interstate Commerce Commission takes the view that shipper-carrier (or shipper-lessor) negotiations resulting in a full service, trip lease arrangement including the driver is illegal--it represents an activity which is for-hire carriage in its nature. The Committee takes a similar view.

There is some value in allowing a trip lease of a vehicle and driver to a regulated carrier. It is beneficial to the shipper who has goods to move, as it increases available trucks licensed to haul those commodities; it provides a "backhaul" for the operator who has carried the commodities to the current point; it provides revenue for the two licensed carriers who make the arrangement.

We therefore recommend:

(1) any operation which is for-hire in its nature must be licensed;

(2) that private carriage remain exempt;

(3) that leasing be prohibited where the lease, arrangement or agreement is between a truck owner who has control or influence over drivers, and a shipper;

(4) that trip leasing be permissible where the lease, arrangement or agreement is between a truck owner who is a licensed carrier and another licensed carrier whether or not the owner has control of the vehicle and/or the driver provided that:

(i) the fronthaul of the lessor was in accordance with his operating authority;

(ii) the backhaul or leasehaul is in the general reverse direction of the fronthaul;

(iii) the lessee licensed carrier shall assume all responsibility for the move as if the truck were owned;

(iv) the lessee licensed carrier shall report the transaction to the Ontario Highway Transport Board.

Making the buy and sell arrangements illegal, and the carrier/shipper trip lease illegal will recognize the fact of for-hire transportation implicit in these services. It will also make enforcement of current law easier. It will also have the affect of putting many existing, unlicensed carriers out of business. That in its turn will have, we reason, detrimental impacts on those shippers who for whatever reason, have been utilizing the services of the unlicensed truckers. It is not significant at this point what those reasons are, as we must assume that

shippers generally are rational entrepreneurs and will seek out the transportation service which best fills their need--whether the need be service, or cost.

Nonetheless, it is our observation that unlicensed carriage is entered into knowingly by the shipper. He knows who is hauling his goods and his license status. If he conspires with an unlicensed carrier to cut his own costs in the knowledge of breaking or circumventing the law, then it is money poorly saved in our view.

Our major concern is to ensure that goods move freely within and without Ontario, so that the public will reap the benefits of those goods so arduously produced. We take the view that unlicensed transportation has grown for a plethora of reasons, not the least of which may be a sluggish common carrier industry, and a somewhat shortsighted segment of shipping public. The fact remains, however, that goods are moving by unlicensed transportation and that it is a necessity that they continue to move.

It is not our purpose to consider the argument that various activities outside the Act are legal. That question is for the Courts to decide. It is, however, our opinion that regulation--of some kind--is desired by the vast majority of truckers carrying goods belonging to others, and by the shippers whose goods are being carried. The Organization of Independent Truckers agrees that a trucker should be "fit, willing, and able" to carry the goods of the public. We ask ourselves, what is "able" in such a framework?

We have decided that the answer to the growth of unlicensed trucking does not lie in the removal of all regulatory safeguards. Aside from the careful use of public highways--built and maintained at the expense

of the taxpayers--there is the further feature that unlicensed carriers are transporting goods which have been entrusted to them. This requires a degree of confidence on the part of the shipper--hoping that his goods will in fact (1) be delivered (2) within a reasonable time and (3) in good condition. Thus, the carriage of goods seems to us to invite supervision or control or regulation in one way or another. On the other hand, we believe that the answer does not lie in prosecution. From what we have seen and heard, the Ministry will require many more personnel, trained in investigation procedures, in order to cope with the problem. Lawyers can be expected to defend accused carriers. Where a conviction is registered, appeals can be made to higher courts. In other words, the judicial process is necessarily slow. Where the charge is dismissed, another "loophole" is created to impede the efforts of the investigating officers.

At present, the Retail Sales Tax Branch of the Ontario Ministry of Revenue, has taken the position that a "sham" lease is not a lease for the purpose of collecting sales tax. The official interpretation by the Manager of the Tax Advice and Information Services of the Retail Sales Tax Branch is dated July 26, 1976, and is as follows:

"There are truck operators who do not hold Public Commercial Vehicle licences, but provide haulage services similar to those provided by Public Commercial Vehicle licence holders. These operators have entered into written agreements with their principals for the lease of transportation equipment in an attempt to meet with the terms of the Public Commercial Vehicles Act.

"In the past, the Branch has viewed such agreements as true leases resulting in the registration of these trucks as vendors and they charged and collected tax on the rental of transportation equipment.

"The Branch now has a legal opinion which states that a lease agreement that is not operated as a true lease but was only entered

into to meet the terms of the Public Commercial Vehicles Act is in fact the provision of a haulage service.

"An operator who provides a truck haulage service is required to pay tax on the purchase of equipment and repair parts but is not required to charge and collect tax on the provision of such service.

"Our District Offices were instructed to contact truck operators in their district and explain to the operators who had entered into 'sham' leases that their vendor permits would be cancelled as there is no requirement to charge and collect tax on the provision of haulage service nor on the 'rental' charge made under these circumstances but tax must be paid on the purchase of equipment and parts."

The situation is such as to call for early action by this Committee. Before making our recommendations, we have expended time and effort in hearing all sides of the debate. We have also invited the opinions of experts and others from western Canada, the United States, England and Australia. We are continuing to study the problem, but have deemed it appropriate to report at this time.

In reaching our conclusions, we have searched for a method which will be fair, prompt and effective. It should aim at an orderly conversion from unlicensed to licensed carriers. It should place responsibility on shippers as well as carriers. It should aim at discouraging overloading, speeding, long hours of driving, accidents, misrepresentation and evasion.

We understand that similar, but not identical, situations have confronted the Ministry in the past. Produce haulers, carriers of heavy machinery and carriers operating extra-provincially all operated without licences for periods of time. Months elapsed between the introduction of relevant regulations and the ultimate licensing of the affected carriers. During that interval, there was, as here, a "gray" period in which unlicensed carriers could and did operate on Ontario highways.

Recommendations

We recommend that:

1. Existing unlicensed carriers should apply for certificates to the Ontario Highway Transport Board, within a prescribed period of time.

2. Applications should name the shippers being served, the commodities being carried, the points of origin and destination, the number of vehicles now being used, and the length of time that the applicant has performed these services.

3. (a) Applications will not be considered from anyone commencing business after October 1, 1976. This is the "grandfather" date.

(b) Records in support of applications must show that service has been established for a period of not less than two years prior to October 1, 1976.

4. The applicant should also supply evidence of financial ability to carry on the business; of vehicles meeting prescribed safety standards and of the rates to be charged.

5. The applicant shall supply records of employment and the relationship with dependent contractors, to the Ontario Highway Transport Board and these records shall be considered prior to a decision being made.

When the above action has been taken, the Ontario Highway Transport Board will, after due notice by publication in the Ontario Gazette, issue certificates of temporary authority which will be reviewed approximately one year later. If the applicant complies with the relevant

provisions of existing laws, he will then be given permanent operating authority.

The above steps should be accompanied by legislation to mandate:

(1) liability and responsibility on a shipper who engages a trucker who is unlicensed;

(2) registration of driver pools to assure their independence from lessors of equipment;

(3) registration of lessors who supply power equipment to assure that they remain suppliers of vehicles and that they do not undertake to provide transportation.

(4) definition of transportation "for hire" to include carriers who buy goods from a shipper and sell the goods to a consignee at a price which reflects transportation expenses.

(5) owner-operators (or brokers), who own equipment and which is leased, with or without drivers, to licencees, are to be registered, and their method and scale of compensation shall be filed by the licensed carrier.

This program will succeed only if existing penalties are substanti-ally increased, backed by jail terms for the individuals concerned in violations of the law including shippers as well as carriers. The present procedure of removal of registration plates--although not always effective--should be facilitated.

References

¹The Ontario Trucking Association brief, p. 45.

²O.T.A. brief, p. 44.

³O.T.A. brief, p. 47.

⁴Organization of Independent Truckers brief, p. 1.

⁵Mr. Brent Hume, in oral testimony to the Committee, August 26, 1976.

⁶Ryder Truck Rental Ltd. brief, pp. 2, 3.

⁷The Ontario Trucking Association brief, p. 47, Appendix 18.

⁸Ryder Truck Rental Ltd. brief, p. 8.

⁹Interstate Commerce Commission, Ex parte MC-43 (Sub #4).

CHAPTER IV--ENERGY

Energy, and energy efficiency, have become and in the Committee's view, will remain a critical consideration in the derivation of public objectives and policy towards the transportation industry.

We have not had the benefit, to date, of testimony from the Ministry of Energy, or Research staff from the Ministry of Transportation and Communications. Such testimony will receive consideration in our final report.

Certain facts have been brought to our attention, however, which given the importance of the subject, make it appropriate for us to comment in principle in this interim report. One issue is that of backhaul.

Many have testified that the term "backhaul" is oversimplified, given the nature of many of today's trucking concerns. There are relatively few simple "backhauls." Many common carriers, depending on the nature of the goods transported, are now moving in more complex patterns--not from A to B, and returning; but rather from A to B to C to D to E to A, in circular or triangular patterns. A more descriptive term, then, would be 'empty movements,' and it is this concept, amongst many others dealing with energy efficiency, which we hope to address here and, more significantly, in our final report.

The Ministry of Transportation and Communications, in Chapter 5 of the study "Truck Transportation in Ontario" (Phase 1), has brought together information from several sources which serves to place the energy question in context.¹ We will quote here from that report:

"The transportation sector consumes 17 percent of the national energy supply and 38 percent of petroleum products. In Ontario, transportation accounts for approximately 50 percent of the petroleum consumption, and trucking accounts for 30 percent of the transportation consumption.

"Last year in Ontario there were approximately a half million trucks consuming close to a billion gallons of gasoline and diesel fuel oil. The proportion of gasoline to diesel fuel oil is 80 percent and 20 percent respectively. In addition, several million gallons of lubricating oil were consumed.

Modes

"Characteristically, trucking is a low capital/high operating cost industry, and fuel varies directly with operating volumes. As a percentage of total operating costs, fuel expense varied from seven to twenty percent in 1969. These figures would be somewhat higher today due to the steep increases in fuel prices.

Comparison of Truck Fuel Expenses with other Modes

	<u>Percent of Total Operating Costs</u>
Rail (all classes)	4%
Truck Class I (Common)	7%
Class I (Contract)	10%
Air (All scheduled carriers)	12%

"The wide variation in fuel expense percentages reflects differences in energy efficiency and fixed capital intensiveness, e.g. the railways have large fixed capital costs in right of way, track and terminals that by definition do not vary with traffic volumes in the short term. The impact of fuel cost increases affects each mode differently, depending on the relative importance of fuel to other costs.

"It is worth noting that the fuel cost pressure on rail, trucking's chief competitor, is similar to that of trucks.

"Trucking ranks between air and rail in fuel efficiency, as follows:

	<u>BTU/ton-mile</u>
Pipeline	450
Marine	540
Railway	680
Trucks	2,300
Airplanes	37,000

"These relative efficiencies will not change in the foreseeable future unless there are substantial changes in technology.

Fuel Savings

"Conservation of energy is a major goal of government; as well, a saving in fuel consumption is in the financial interest of the trucking firm.

"Several potential fuel saving techniques can be applied by the trucker. A conservative fuel saving of 13 percent has been documented for an 80,000 lb. tractor travelling at 60 MPH.

	<u>Saving</u>
Air Resistance	5%
Rolling Resistance	6%
Accessory (Thermatic Fan)	2%

"Additional savings are also available through a more efficient drive train, the elimination or reduced use of air conditioning and lower operating speeds.

"Given a 10 percent share of total operating cost for fuel, these savings are in the order of one to two percent of total operating costs.

"Energy is a key natural resource; it is scarce and expensive. To the trucker, fuel represents a significant expense where savings would improve both conservation and profitability."

Further investigation is warranted into intermodal integration, and co-operation; the extension of the concept of portable containers; and the use of 'pups' or an additional trailer behind the power unit.

What is Being Done in Government and the Industry

In 1975, the "Advisory Council on Energy Management in Truck and Vehicle Operations" was formed. This body includes knowledgeable representatives from the truck operating industry, truck manufacturing industry, the public sector and government.² The Council's function is to consider and make recommendations related to the movement of goods by truck to conserve energy and to bring about increases in the production of the road transportation system.

The Advisory Council held a workshop one year ago, October 15, and 16, 1975, in Toronto. It represented in the Council's own words, "The first time that representatives from the trucking and vehicle manufacturing industries, the public sector and government have met to address themselves cooperatively to [this] common and crucial problem."³

One of the witnesses discussed the problems of fuel conservation and energy efficiency. His company has designed a revolutionary new truck. Ten of them are now in operation, at a project cost of ten million dollars. He stated, "The truck gets more miles per gallon, creates much less noise, is superior in driver comfort and the entire power train--engine, transmission, rear axles and rear tires--can be changed in two man-hours. Yet we could find no manufacturer who would tool up to manufacture and market it because of the general economic

conditions. But we still learned things from it. Air shields and vortex panels to reduce drag, radial tires to reduce friction--all giving increased miles per gallon. We learned to derate engines to operate at less revolutions per minute. We regearred to operate at lower speeds, and reduced diesel injector sizes to get leaner burning, more energy efficient engines."⁴

We support the concept of discussion between industry and government and urge further research. We commend organized industry for recommending the establishment of the Advisory Council.

Empty Movements

We will discuss here the "soft" aspects of energy consumption, those issues relating to "empty backhauls" or more properly, "empty movements." Much less fact exists on this subject.

Let us again set the discussion with the comments of experts:

"Many licences are restricted by the operating authority, thus, contributing to the possibility of unbalanced load operations where the inability to legally handle return load means empty running miles."⁵

"Carriers cannot use long term scheduling like a manufacturer with sales made before production general patterns emerge but the emphasis is always service on a day to day basis."⁶

"The customer must be made to realize that by abusing the availability truckers have, the problem arises of empty miles or lack of cube utilization in trailers. This utilization, in the speakers opinion, averages 20% in Ontario . . . by accepting two day delivery between cities, the trucker can achieve maximum load factors, perform the service profitably and achieve good fuel conservation . . ."⁷

The Ontario trucking Association in evidence before the Committee, indicated the results of its survey taken to determine empty highway miles as a percentage of total highway miles of Class "A", "X", "C" and "D" carriers. The survey, taken subsequent to the Ontario Trucking Association's initial appearance before the Committee on July 21, 1976, indicated these results:

Class "A" and "X"	8.0%
Class "C" and "D"	39.4%

These percentages indicate trucks or tractor trailers running with NO payload.

A carrier, testifying in Kingston, indicated that company's situation as follows, "51 full forward to 49 full return, on average."⁸

The fact that trucks travel empty for part of a total trip has been a part of the transportation system for many years. Because of the recent energy shortage in 1973, the empty mileage situation has become highly visible and controversial. Adding to the controversy, are the contentions that empty miles may in large part be caused by economic regulation of the industry.⁹

There are a large number of causes for empty miles. Some apply to all types of carriers, others are peculiar to certain, specialized trucks. In this latter category, the Committee contends that given necessary vehicle designs to move certain commodities, it is impossible to eliminate empty miles.

We heard of tank carriers which carry liquid bulk materials. These materials are not compatible and as a result, there must be empty movement. A carrier carrying liquid chemicals one way cannot return

with another chemical for fear of contamination. Nor can a trailer designed to carry automobiles be used for any other purpose. Dump trucks usually operate full one way only.

In considering empty mileage, one must consider the effect of natural traffic imbalances between certain communities. It may be that inherent trade imbalances between areas constitute the single most important factor contributing to empty miles.¹⁰

The contention that current licensing procedures of the Ontario Highway Transport Board are not conducive to the securement of loads to offset empty mileage has been made by a number of groups before the Committee and by others in the United States. It is a real contention by those who favour what is popularly termed 'deregulation'. It is behind, in part, the opposition to Bill 4 which addressed the situation of single trip leasing.

The Committee does not feel that entry control, per se, is a limiting factor at all. What may be at issue, of course, is the scope (or lack of it) in the terms and conditions applied to an operating authority.

An assumption must be, if one argues this way, that there is freight now existing in a centre which is not moving. If it is moving, someone is carrying it. A rationalization of authority may only serve to shift rather than reduce empty miles. At issue, appear to be new sources of freight.

If we are to come to grips with this problem, we must also know significantly more about (a) the empty mileage in the private trucking sector; (b) the relative frequency and energy use figures for bobtailing runs (as opposed to empty mileage); and (c) the relative frequency and

energy use figures for partially loaded miles. The Committee cannot, from available knowledge, come to a conclusion on the empty mileage problem. We have discovered, as perhaps those who have gone before already knew, that the problem of empty miles is complex, many sided, and from time to time, highly emotional. We do not feel that the significance of the problem is sufficiently well defined, nor are we aware of what weight to assign to each of the many causes to allow an evaluation of the problem.

Survey Requested

We intend to review this question in more detail between now and our final report in an attempt to evaluate the scope and nature of the question more quantitatively than we can at this time. We will be requesting the Ministry of Transportation and Communications to conduct a survey, in conjunction with the industry to provide more significant data on the following matters:

1. Miles travelled full, partially loaded, bobtailing, and empty, by class of licence.
2. When empty, the size of community being served; when partially loaded, the size of community being served; and the commodity being hauled in and out.
3. Licences which restrict return loads.
4. Analysis of regional trade imbalances.
5. Reason for empty equipment: nature of the vehicles;

shipper preference; load incompatibility; cost of arranging, e.g. waiting time; no freight.

It is conceivable that licensed carriers may voluntarily pool their activities to provide service to "loops" which are off the main travelled routes. Such cases existed in World War II where none of the affected carriers had sufficient volume to warrant frequent trips to, say, such places as Burford on Highway 53 or Blenheim on Highway 40. But by combining their individual shipments at nearby Brantford and at Chatham locally based, independent carriers could afford to provide a pick-up and delivery service on a daily basis. In these situations the licensed carriers would support applications of the local carriers to the licensing board and appear as witnesses on behalf of the applicant. This procedure would reduce empty or light load miles.

Recommendation

Pending further study, we recommend that the regulations affecting truckload or Class "C" for-hire carriers under the Public Commercial vehicles Act be amended to permit interchange of trailers and transfer of loads, within the terms of their operating authorities. To this end we recommend the deletion of a restriction in Regulation 700 of Section 2(2) (b) (vi) a, which reads as follows:

"where the terms of the operating licence authorize the transfer of goods, or interchange of trailers, and"

Heretofore a Class "C" carrier was authorized "to effect the transfer of goods or interchange of trailers by a person who is the holder of an operating licence or who is the holder of an operating licence that includes the terms of a Class "C" operating licence,

- "a. where the terms of the operating licence authorize the transfer of goods or interchange of trailers, and
- "b. if the goods transferred or the trailers interchanged are transported within the Class "C" authority of the person to whom the goods are transported or the trailer interchanged."

In effect, the proposed amendment--by deleting Clause "a" above--will remove the prohibition against the transfer of goods or interchange of trailers between Class "C" carriers who are otherwise authorized to perform the transportation service.

References

¹The Ministry of Transportation and Communications' report relies heavily on data from various studies done outside the Ontario Government. In quoting the chapter so extensively, we realize that some of the figures quoted, particularly those relating to BTU/Ton-Mile are the subject of some debate, and indeed, some severe disagreement. The figures for rail, for example, may not present a true picture because (amongst other problems) they do not take into account the energy consumed in moving goods from the rail destination to the consumer's premises. Some would argue that the apparent differences in BTU/Ton-Mile of truck, compared to rail, are inexact and misleading when one considers the total movement from "door to door."

It is not our intention to express a commitment to the particular figures quoted, although we have not been able to locate better ones, but rather to demonstrate that the energy consumed by transportation and by trucks, in this instance, is significant. Therefore, energy-related impacts of regulatory law and operational characteristics must be considered.

²Includes: Ontario Trucking Association, Ontario Motor League, Motor Vehicle Manufacturers Association, Ontario Road Builders' Association, Consumers Association of Canada, Ministry of Energy, and Ministry of Transportation and Communications.

³"Energy Conservation in the Ontario Trucking Industry Synopsis of Papers," 1975 Workshop of the Advisory Council on Energy Management in Truck & Vehicle Operations. Published by the Ministry of Transportation and Communications, p. 3.

⁴Oral Testimony of Mr. Richard Green, Ryder Truck Rental Ltd., at Toronto, July 27, 1976.

⁵Advisory Council Workshop, op cit. p. 50.

⁶Advisory Council Workshop, op cit. p. 51.

⁷Advisory Council Workshop, op cit. p. 54.

⁸Oral Testimony by Glengarry Transport Ltd., at Kingston, August 24, 1976.

⁹See, amongst others, Organization of Independent Truckers brief, reference in Advisory Council papers, Canadian Manufacturers Association brief, Canadian Federation of Independent Business brief.

¹⁰A Preliminary Assessment of Empty Miles Travelled by Selected Regulated Motor Carriers: The Mitre Corporation. January, 1976, p. 53.

CHAPTER V--THE ONTARIO HIGHWAY TRANSPORT BOARD

The Committee has had the benefit of considerable comment on the work done by the Board. The Board has been in existence since 1954 and is the successor to similar work done by members of the Ontario Municipal Board from about 1933. The members of the Board are appointed and hold office indefinitely. To date, none of the members have resigned. One member transferred from the Board to a position within the Ministry of Transportation and Communications. In effect, the appointments are for life or until retirement.

Immediate Requirements

According to the evidence of the Chairman of the Board, given June 29, 1976, amendments are urgently required in respect of:

(1) authority for interim, emergency, temporary and single-trip operations either in conjunction with, or separate from, applications for certificates leading to permanent authority; and

(2) power to order licensees to "cease and desist" after a public review has been held, which has found violations of prior Board orders or contraventions of existing laws.

We concur in these requests and urge prompt legislative action. It is not intended to prohibit the existing rights of appeal of the licensee.

At the same time, we have heard criticism of existing procedures. There is said to be too much trial court drama in the hearing of applications for certificates of convenience and necessity. We question the need for hearings lasting over a period of several weeks or months.

This Committee believes that applicants may retain counsel of their choice, or proceed without counsel. In any event, carriers--both licensed and unlicensed have complained to us of the high cost of adversary proceedings. Many of the unlicensed truckers have a distorted impression of the rigidity, formality, complexity and expense of public hearings. There is a lack of official literature describing Board procedures, which can be easily remedied. There is a need for public access to information relevant to the operation of any public Board. Nor is there any reason for such intensive cross-examination of shipper witnesses so as to lead such shippers to decline further requests to appear in support of applicants. It is up to the Board members to restrain such abuses when they occur.

Where an application has been wholly or partially denied, the Board should issue written reasons for its decision upon receipt of a written request so to do.

Ex parte Proceedings

The existing pattern seems to lean toward public hearings rather than office procedures. The latter have been called "ex-parte," or "in chambers" or "modified procedure." It seems to us that applications which are unopposed need not be the subject of a formal appearance. We have learned from the Interstate Commerce Commission that even some opposed applications do not require public hearings. We will have further comment on this subject in our final report, particularly when discussing Class "R" applications. In the meantime, however, the Board

is encouraged to curtail its requirements for public hearings and to develop a method whereby applications can be processed and, if necessary, clarified by its inspectors and the use of supporting documents such as affidavits or executed contracts. For instance, a change in the name of a corporation designated in a licence should not be made the subject of a public hearing.

Regional Hearings

We are impressed by the frequency of Board sittings at various places in the Province. Further publicity of this feature may be provided in Board literature for public distribution. The form of application may provide this information. In our final report we will deal with the regulation of transportation within regions; but in the meantime, it is suggested that the Board will continue to hold and where necessary to expand the relatively frequent hearings in the various regions of the Province.

Associations

We have been asked to authorize the appearance of carrier associations as respondents at Board hearings. To date such associations may appear--as anyone may appear--at Board hearings, but they have not been permitted to represent a specific member. To do so, may be construed as an attempt to restrict transportation facilities, contrary to Federal law.

We have reservations in encouraging or confirming any procedure which results in unequal strength at Board hearings. We have been told that applicants (and in particular applicants who have not previously been involved in Board applications) are confronted by expert counsel for respondents, supplied by The Ontario Trucking Association. We see no merit in suggesting that the Board engage legal experts to act for applicants in order to establish a balance of power between applicant and respondent. We prefer to suggest that trade associations should not represent applicants, and that existing arrangements by associations to provide expert counsel for respondents should be discontinued. Fairness and justice must always be, and must always appear to the public to be, the guidelines of administrative boards.

We are giving further study to the role of the Board in enforcement. At present the Board provides advisory functions only. It should be equipped for research in matters pertaining to private as well as for-hire transportation. There is need for liason with institutions of higher learning in the Province. We foresee a wider role for the Board in the future. To this end, it is hoped that the present personnel of the Board may be retained to give effect to the reorganization which we may propose in our final report.

It is noted that the Board assesses costs where hearings exceed one day or where hearings are held outside of Metropolitan Toronto. We concur with this policy. In passing, we observe that the Board aims to be self-sustaining.

A recent decision of the Courts reveals the ineffectiveness of the enforcement activities of the Ontario Highway Transport Board and the

Ministry of Transportation and Communications. Reference is made to the case of Attorney-General of Ontario v. Grabarchuck et al.* From March, 1973, to April, 1973, several convictions were registered against companies operated by the Defendant. Fines were unpaid. As the learned Judge observed, "The process of charge, conviction and fine has been without any ascertainable effect. Mr. Grabarchuck goes on his merry way, secure behind his various names and leaving in his wake grumbling customers and frustrated officialdom." Finally, in 1975, the Attorney-General requested an injunction to restrain the Defendant from further violations of the Public Commercial Vehicles Act.

Similarly, the Courts held--in a judgment** involving Parent Cartage Ltd., of Windsor--that the Ontario Highway Transport Board had no power to order a licensee to "cease and desist" illegal activities.

Dormant Licences

An operating licence under the Public Commercial Vehicles Act is intended to provide a transportation service which is needed. If and when the need no longer exists and the operating licence is not used, some action, should be taken.

On the one hand, it can be said that the dormant licence should be retained by the licensee and re-activated or transferred at a later date. No one is harmed by this attitude. On the other hand, a licence

*Reported in 11 O.R.(2d) Part 11, p. 607.

**Reported in 11 O.R.(2d) Part 11, p. 689.

to operate commercial vehicles must contemplate continuous operation rather than a state of inactivity. We heard from a witness in Hawkesbury who claimed that the existence of a dormant licence for the movement of used household goods would, in his opinion, prevent the issue of another, similar licence. He urged that the dormant licence be issued to him. This point of view is based on the Public Commercial Vehicle licence being a tangible item which can be bought and sold, like ordinary merchandise. We disagree with this concept of a licence.

There is, however, another situation where a dormant licence should be distinguished from a curtailment of service. A carrier who has amalgamated with another carrier may find that some routes are duplicated. Difficulties will arise following amalgamation which can be avoided by taking the necessary action prior to amalgamation.

It is unwise to generalize and to condemn all dormant licences. We are of the opinion that trafficking in licences must be discouraged. To create an active market for pieces of paper containing the privilege to operate a road transport operation is not in the public interest. Rather, the licence is a privilege to operate and where that privilege is not exercised, it should be cancelled.

Dormancy as a fact is often known to the licensee and not to others. Where a complaint is filed with the regulatory tribunal and dormancy is established by the Ontario Highway Transport Board, appropriate action can be taken. But where parties have entered into a bona fide transaction of purchase and sale, it is harsh to take away from the new owner a portion of an operating licence which is later alleged to be inoperative.

We recommend, therefore, that:

1. The transfer or sale of dormant licences be prohibited.
2. Dormancy shall be construed as meaning a refusal or inability to operate in accordance with the expressed terms and conditions of an operating licence.
3. Dormancy shall not exist as long as the licensee holds himself out to the public to provide the transportation service authorized by the operating licence.
4. Dormancy, if and when found as a fact by the regulatory tribunal, shall precede the hearing of an application for the transfer of an operating licence.
5. If and when a bona fide agreement is made for the sale of a transport business, dormancy may not be an issue in the proceedings.

Highway Numbers, Designated Routes and Carriers

In the preceeding pages, we deal with the practices and procedures of the Ontario Highway Transport Board. Here we call attention to the traditional language used in operating licences within the categories known as Classes "A" and "X" to describe common carrier routes. This is usually done by highway numbers. In many cases, reference is made to "intermediate points." There are many variations in the language of licensing. For instance, references may be made to an area "west of Highway 11 and south of Highway 7," to named counties, to points within a mileage radius of a named center, or to regional municipalities or parts thereof.

Operating licences have been issued for nearly fifty years. In that time there have been many developments in the transportation of goods on Ontario highways. Divided highways have been constructed, by-passes of municipalities have been created, regions have been established and highway numbers have been changed by the Ministry of Transportation and Communications. The latter feature appears to be a continuing process. It causes us some concern.

There are large potential benefits to be derived from using computers to replace the manual typewriting of licences issued under the Public Commercial Vehicles Act and the storage of licensing records. This program should be encouraged if it will effect economies and make licences intelligible to the layman. Some licences are so complicated as to make enforcement difficult.

In particular, references to highway numbers should be discontinued where possible. All points and communities to be served by carriers licensed on designated routes should be named.

In due course, the Board should be able to inform the public as to the names of the carriers licensed at any given point. Communication to the public is an important part of the availability of transportation services. Knowledge of existing facilities should be a by-product of regulation.

Recommendations

It is, therefore, recommended that:

1. Operating licences to be issued to common carriers in the future should set forth points and places to be served. The inconsistency in the Regulations between the definition of a Class "A" carrier, which deals with places to be served, and the form of a Class "A" licence, which deals with the route to be followed, should be removed.

2. Existing operating licences containing erroneous highway numbers should be reviewed by the Ontario Highway Transport Board with a view to clarifying the authority of the licensee.

3. A program of rewriting operating licences should be assigned to a specific bureau or division of the Ontario Highway Transport Board with instructions to simplify each authority in terms of (a) routes (b) commodities (c) shippers (d) equipment. Duplication is to be avoided. Clarity is essential. It is expected that this program will take a considerable length of time.

4. The plan to be adopted for the future should have regard to (a) the method used by the Ministry of Transportation and Communications in licensing buses under the Public Vehicles Act, (b) the style used in the Province of Quebec, (c) the pattern adopted by (i) the other Provinces of Canada and (ii) the Interstate Commerce Commission. Uniformity is desirable, although not essential. We have difficulty in understanding the existing practices of (i) duplication of intra and extra provincial licences, (ii) provisoes relating to licensing in other jurisdictions and (iii) unduly restricting unimportant transfers of shares in corporate licences.

5. The Board should publish a complete directory of licences and trucking services. No such complete directory is presently available, particularly of contract carriers.

Financial Statements

Questions were put to carrier witnesses inquiring as to their willingness to file their financial statements with the Ontario Highway Transport Board. There was unanimous response in the affirmative.

Several observations must be made in this connection:

1. The statements will be confidential for the exclusive use of the Ministry of Transportation and Communications and the Ontario Highway Transport Board.

2. Where the carrier is associated with, or a subsidiary of another company, consolidated (as well as individual) statements are to be filed.

3. In order to be comparative, statements from carriers should be in similar terms and in accordance with a prescribed standard of accounting. This may take time to become effective and should be accomplished with the co-operation of licensees.

4. Under exceptional circumstances and for good reason, exemptions from filing statements may be granted by the regulatory tribunal for temporary periods. Such discretion may be exercised for entire groups or classes of carriers or in specific cases where the statement is obviously non-productive, as for instance where a large manufacturer may

operate a single licensed unit for backhaul purposes in international operations.

5. In order to make use of the information contained in the statements or to prepare statistics and data from such sources, the regulatory tribunal should employ or consult with qualified accountants.

6. The requirement for a statement duly certified by a chartered accountant may be waived for smaller carriers at the discretion of the regulatory tribunal. In suitable cases it may be sufficient to accept copies of income tax returns, bank summaries or similar equivalents. It is recommended that annual filings be required initially. Two or three years later, filings for alternate periods may be required at the discretion of the regulatory tribunal.

CHAPTER VI--RECIPROCITY

Background

The dictionary definition of "reciprocity" is "equal rights or benefits to be mutually yielded or enjoyed; especially equal commercial rights or privileges enjoyed mutually by two countries trading together." Anything "reciprocal" is described as "acting with a backward and forward motion." In mathematics, reciprocal quantities are "quantities which, multiplied together, produce unity." In Canada, a degree of unity seems to us to be desirable. The problem, however, is international as well as interprovincial.

We have assumed that the movement of goods should be encouraged. Quantities produced in excess of local consumption should be transported to places where the goods are needed. There should be no roadblocks between provinces. The British North America Act of 1867 stipulates, in section 121, that "all articles of the growth, produce or manufacture of any one of the Provinces shall, from and after the Union, be admitted free into each of the other Provinces." We are taking the liberty of suggesting that "free" should be construed by us as meaning "freely."

The Committee has heard much criticism of the traditional attitude of the Ministry in respect to reciprocity. There are two chief sources. Firstly, Ontario shippers and carriers claim that they are adversely affected by being required to pay separate and additional fees and charges in each jurisdiction in which they operate, whereas their competitors who are doing business in reciprocating areas are not required to pay such fees and charges. This was the theme of a substantial for-hire carrier of agricultural implements based in Ontario¹ as well as a

private carrier moving his own goods to the U.S.² Conversely, a U.S. carrier of steel³ from an Ontario producer complained of the high cost of compliance with existing Ontario registration fees. The importers of fruits and vegetables⁴ complained of the high cost of registration of vehicles entering Ontario.

Michigan

Secondly, the states of Michigan and Indiana sent delegations to us to outline the history of protracted negotiations with the Ontario Ministry of Transportation and Communications. Florida wishes to discuss an agreement. Michigan has led the attack on Ontario's policies. We detected an air of frustration in the submissions from these states, and we have knowledge of the imposition of special retaliatory levies by Michigan aimed at Ontario carriers in the hope of forcing action by the Ministry of Transportation and Communications.

We will continue to explore the impact of the refusal of Ontario to become reciprocal with other jurisdictions. At this point in time, however, we are convinced that a change in attitude must be adopted by the Ministry of Transportation and Communications. Admittedly a half-measure of reciprocity now exists with the Prairie Provinces of Canada in respect of for-hire carriers and with the Province of Quebec^{*} for some private truckers as well as movers of household goods. We are aware of and intend to study further the degrees of the freedom of

*See Exhibit E

movement between the members of the European Economic Community in respect of all road transport. We are examining closely and at first-hand this movement of commercial vehicles. The Committee regards this subject as being of great importance to the people of Ontario.

This is a complex field. It is observed that automobiles and chartered buses move freely within and outside Canada without the necessity of buying licence plates in each province and state. Why are trucks treated differently? Various answers are given including (1) revenue to the Province, and (2) congestion of highways. We shall deal with each of these items.

Revenue

The effect on revenue is neither important nor permanent. Payment of a registration fee for a commercial vehicle for a year should be with reference to highways traversed during that year. If the vehicle travels outside Ontario during the registration year, Ontario should not object to sharing the registration fee with other provinces or states whose highways are being used. This appears to us to be the principle of the "International Registration Plan" which Alberta has adopted and which is in effect in almost half of the states of the United States. As an alternative to total reciprocity, a "proration" scheme can be adopted to allocate registration fees amongst the jurisdictions involved. In any event, we feel that increased extra-provincial sales of Ontario-made goods may create additional revenue and employment which will more than compensate for any temporary decline in registration fees.

There appears to be a significant difference in the approach of the Ministry of Transportation and Communications to the fees paid by licensed carriers of passengers and fees paid by licensed carriers of goods. Public Vehicle (bus) plates are issued without charge, but truck (P.C.V.) fees are expensive.

Congestion

Arguments have been made that reciprocity will lead to congestion on Ontario highways. We have not heard evidence which will lead us to concur with or reject this view. We have heard submissions that in the event congestion does occur, it may be avoided by (1) controls to be exercised over the number of for-hire vehicles to be licensed by the Province under the Federal Motor Vehicle Transport Act, and (2) suitable provisions for monitoring the flow of private and for-hire vehicles between reciprocating provinces and states. We are informed that a recent reciprocity agreement with North Carolina failed to produce a flow of vehicles from that state.

Ontario cannot be an island in a community of provinces and states which are reciprocating with one another. We should not build a tariff wall by making it difficult for carriers from other provinces to enter Ontario. Nor can we erect our own barriers to the export or import of goods to and from the United States. That is the task of the Government of Canada.

Our information is that Ontario is far behind all other provinces and states in recognizing the principles set forth above. A study of

this subject is now under way by a group of consultants and specialists from all regions of Canada. This study is sponsored by the Canadian Conference of Motor Transport Authorities, the Transportation Development Agency, and the Road and Transportation Association of Canada. It is our opinion that this effort will be of great assistance in the future. Our recommendations, however, point the way to more immediate action.

G.A.T.T.

A special situation exists in respect of U.S. vehicles operating between Windsor and Fort Erie. This Province has paid scant attention to Article V of the General Agreement on Tariffs and Trade signed by Canada and the United States (among others) in 1947. It provides that "there shall be freedom of transit through the territory of each contracting party, via the routes most convenient for international transit, for traffic in transit to or from the territory of other contracting parties. No distinction shall be made which is based on . . . the place of origin, departure, entry, exit or destination, or on any circumstances relating to the ownership of goods, of vessels or of other means of transport." Ontario now charges \$20 per trip for each loaded vehicle crossing the Province. Is it little wonder that Michigan has recently imposed a \$20 fee for each trip by an Ontario carrier entering Michigan? Previously, Michigan had charged on a different basis. It is the opinion of this Committee that by virtue of the above Treaty, Ontario is obliged to extend to the U.S. carriers using the corridor north of Lake Erie the

same fees and charges assessed against Ontario carriers in Ontario, and to apply the same operating rules. The \$20 fee should be abandoned both in Ontario and Michigan. Instead, negotiations should be instituted by both jurisdictions leading to membership in the International Registration Plan or in some other equitable scheme. We shall review this recommendation in our final report in the light of any action that may have taken place in the meantime.

Reciprocity covers a wide range of subjects. It applies not only to vehicle registration fees but also to fuel taxes and sales or other "third structure" taxes. There are problems in such fields as deductions for workmen's compensation, recognition of qualified insurers, and extraprovincial corporation tax. Significant distinctions may be drawn between private and for-hire carriers. Bearing in mind that effective reciprocity involves negotiations with each province of Canada as well as with each state of the United States, one can appreciate the extent of the problem. It is too large for immediate solution.

Recommendations

We recommend that:

(1) A branch or division or bureau be established at once within the Ministry of Transportation and Communications to study the various aspects of reciprocity discussed above.

(2) The bureau be directed to report within six months after its creation with a suggested plan for future action.

(3) The Ministry of Transportation and Communications notify the Canadian Conference of Motor Transport Authorities and other interested parties of the creation of the new branch and invite discussion.

(4) Precautions be taken with a view to avoiding congestion on Ontario highways by non-resident carriers of goods, either by provisions for annual review or by the insertion of suitable clauses in each reciprocity agreement.

(5) The ultimate aim of the Government of Ontario shall be the free flow of goods in private as well as for-hire vehicles to and from points outside Ontario with a minimum of interference by way of fees, charges, taxes, reports, records and documentation.

(6) The Ministry of Transportation and Communications should take a leading part amongst the provinces of Canada to promote reciprocity in all its aspects.

We have refrained from discussion of reciprocity in operating authorities, licences and permits, or the issue of certificates of convenience and necessity. This is a separate subject, but may well form part of the Ministry's discussions with other jurisdictions.

(7) Fuel tax and sales tax are the responsibility of the Ministry of Revenue. A joint committee should be established by the Ministry of Transportation and Communications with the Ministry of Revenue to plan future activities. We expect further conversations with the Revenue officials.

References

¹ Sherwood Hume, Oral Testimony in Toronto, July 22, 1976.

² Scott Johnston, Oral Testimony in Toronto, July 22, 1976.

³ Ralph D. Artim, Artim Transportation Systems, Testimony given on behalf of Indiana in Windsor, August 18, 1976.

⁴ Ontario Produce Brokers & Wholesalers, July 28, 1976.

CHAPTER VII--MISCELLANEOUS

North Bay Restriction

In the development of road transport, around 1936, a distinction was made by the then Department of Highways between Northern and Southern Ontario. Highway construction was not as rapid in the north. The Trans Canada Highway had not been built. As a result of deliberations by the Ontario Municipal Board and after considering the position of the Ontario Northland Railway (or its predecessor, the Timiskaming and Northern Ontario Railway), it was decided to impose a restriction on all licences under the Public Commercial Vehicles Act. Licensees who resided south of North Bay would not be authorized to operate north of North Bay and licensees who resided north of North Bay would not be authorized to operate south of North Bay. Residents of southern Ontario whose authority enabled them to operate north of North Bay were thereupon restricted from doing so. Conversely, licensees resident north of North Bay were restricted against operating south of North Bay.

Exemptions from this policy were allowed for carriers of automobiles and movers of used household goods. The Class "A" operation of Walter Little Limited (as it then was) between Toronto and Kirkland Lake was not disturbed. In effect, therefore, the restriction affected the "open" Class "C" licences and several Class "D" operators.

With the passage of time exceptions were made. Successful applications were made to the regulatory Board by Grant's Transport of New Liskeard and by many others. Star Transfer has provided this Committee with a list of forty-three carriers domiciled in Southern Ontario in

various classifications who are said to be operating north of North Bay. There is still a substantial number of restricted licences.

In the meanwhile the shippers of lumber in Northern Ontario have alleged a shortage of carrying capacity. We have also heard from a carrier who is anxious to remove the North Bay restriction so that goods made in Huntsville can be delivered throughout the entire Province whether north or south of North Bay. The Committee feels that the situation in 1976 is sufficiently important to reconsider the policy which has been in effect for nearly forty years in respect of this restriction.

Recommendations

We recommend that the division of Ontario at North Bay for the purpose of the Public Commercial Vehicles Act be varied to accord with current conditions. All licensees now restricted as outlined above should be allowed to apply for the removal thereof. The Transport Board should select a date at which all such applications will be consolidated and heard together. The interested shippers or receivers of goods moving north and south of North Bay may appear at the hearing of such applications and support all or some of the applicants. Announcements of the hearings should be given wide publicity in all of the media in northeastern Ontario.

In the event that applications to the Board are successful, the shippers of lumber and lumber products may have available additional vehicles which can be used for southbound shipments. Licensing regulations

should be enforced here as elsewhere. The present Class "A" carriers may allege that additional competition will adversely affect northbound shippers. On balance, however, we feel that the public interest will be served best by removal of the so-called North Bay restriction.

The Ontario Highway Transport Board should review the service by "A" carriers north of North Bay to ensure that the principles of competition, public necessity and convenience are being met.

Bills of Lading

Bills of lading have developed, been changed, and been encouraged since the fifteenth century. In the United States, "the railroads themselves first advocated uniform bills of lading . . . in 1890" and the Interstate Commerce Commission first recommended a voluntary adoption of a much discussed uniform bill of lading in 1908.¹

Ontario, for its part, prescribes certain terms and conditions of the bill required to be issued by licensed carriers.

Each of the provinces of Canada require bills of lading, but not one is the same as to terms and conditions as any other one. In addition, the bills of lading for motor carriers in the United States are different again from those in use in Canada.

The "functions of the bill of lading are that it is a 'receipt,' a contract and documentary evidence of title . . . in addition, the conditions of the bill of lading determine to a large degree the extent of carrier liability for loss and damage to shipments."²

Lack of Uniformity

The complications of a lack of uniformity for the shipper and the carrier are perhaps obvious--to the extent that, if bills were uniform, no longer would a shipper be subjected to the confusion and nuisance (and therefore costs) of determining the provisions of the bill of lading of individual carriers. He could ship his goods with more positive knowledge that the contract of carriage is settled and cannot be changed on the spur of the moment. A common basis for carrier liability and shipper responsibility would exist. Eliminated would be the possibility of unjust discrimination and clarified, would be the duties of connecting carriers in a joint route.

Basic uniform contents for a bill of lading on interstate movements now exist in the United States. In Canada, they do not.

The Committee has heard, both in Canada and in the United States, of the problems which are imposed upon the industry because regulation has tended to be fragmented. Regulations and standards which apply to the industry are largely the requirement of provincial governments, and as a result, differences in approach to what is required, as to terms and conditions of carriage, exist. This has resulted in many different requirements across the country, including differences in bills of lading. This particular problem has been discussed at length, over the years, between government officials, transport boards and representatives of the trucking industry.

The Canadian Trucking Association, in their brief to the Committee, attached a copy of their submission to the Canadian Conference of Motor

Transport Authorities (CCMTA), in June of 1976. That submission dealt with standardization in many respects and urged "the essential uniformity in extra-provincial operations . . . we look to the CCMTA for help in rationalizing the various regulatory matters that affect the overall viability of trucking operations."³

At the 1976 CCMTA Conference, a draft uniform bill of lading was reported on by the Standing Committee on Motor Carriers. The CCMTA adopted the following resolution:

"Resolved that the Conditions of Carriage and Memorandum of Shipment (Domestic Bill of Lading) prepared by the Federal-Provincial Advisory Council on Motor Carrier Regulations in 1972 as revised during this conference be accepted and adopted by all provincial administrations in Canada, with freedom to alter, or to add anything specifically applicable to their respective areas of jurisdiction, as long as such amendments do not negate the general overall conditions as set out therein."

The Committee is informed that the Ministry of Transportation and Communications is examining the bill of lading in conjunction with the representatives of the shipping and carrier segments of the industry.

The Committee is totally in agreement with the concept of a uniform bill of lading for domestic and interprovincial motor carriers. The Committee recognizes that the bill of lading is but one of several regulatory matters which must be dealt with by the provinces, with a view towards standardization. The Committee is well aware of the general lack of uniformity in the regulation of the trucking industry, and that this fact has been and is now being used by the Federal Government as a basis for arguing that new Federal legislation is required in the field. If the provinces cannot negotiate, examine, and agree on methods to bring more uniformity of requirements to the industry, then, the adverse

effects on the shipping public and the carriers cannot help but escalate. This is clearly an undesirable situation.

We are also aware of the difficulties in implementing a uniform bill. Uniformity insofar as contents, data and form should be relatively simple to achieve. Difficulties arise when one considers the associated terms and conditions of the bill, particularly as they relate to carrier liability. Ontario law now limits carrier's liability to \$1.50/pound, unless a higher value is specified by the shipper. (Certain other provinces mandate carrier liability to the value of the load.) The shipping public in Ontario, we surmise, are of two minds on this issue. Now, if they declare a higher value, they will likely pay a higher rate. On the other hand, if they do not, carrier liability is constrained by \$1.50/pound. This poses real problems for the shipper, particularly in cases of partial loss. To achieve uniformity on this type of issue will be much more difficult.

The Committee, however, urges the Province to proceed with haste to agree upon and implement in Ontario, a domestic bill of lading which is suitable for adoption by all the provinces of Canada.

The Committee intends to discuss in more detail in its final report, the matters of uniformity across Canada and, of industry--government consultation.

In commenting to this effect, the Committee notes that those who have come to testify have expressed various degrees of satisfaction with the current Ontario Bill of Lading. The Canadian Industrial Traffic League was not generally happy with the existing liability clauses.⁴ The Canadian Manufacturers' Association, however, commented

that the conditions of the Ontario Bill "are. . . well drafted . . . We are opposed to any reduction in the (notice period of 90 days for the filing of loss and damage claims) period which is already none too long."⁵

The Committee has examined the decision of the Supreme Court of Ontario in the case of Direct Winters Transport Ltd. vs. Duplate Canada Ltd., 1962, which delves deeply into the bills of lading question on international movements.⁶

The concept of a uniform bill of lading must be endorsed. The difficulties of implementation are recognized. However, the benefits of its adoption, with terms and conditions agreed to by industry, will far outweigh the costs.

Small Shipments

The Committee heard testimony from an informed group naming themselves the "Small Shipment Specialists" or "SSS." This informal group represented four separate companies, unrelated as to ownership, but united with respect to position. These carriers "specialize in the fast, expedited, pick up and delivery of small packages, parcels, letters, documents, valuable items such as jewellery and commodities requiring security such as drugs."⁷

Their brief referred to the annual report of the Ontario Highway Transport Board which, in 1975, commented enthusiastically on the presence and growth of carriers who provide such services. In part, the Board stated, "All of these services were formed and operate today

because of a requirement for speed in service and competitive pricing for that service."

The group, amongst other things, sought a new classification, an "S" licence category to denote small shipment specialists. This type of carriage, is in the opinion of the group, the Ontario Highway Transport Board and the Committee, unique; when compared to the services being provided by other common carriers in either the "A", "C", or "D" categories.

While the Committee will not comment on the new class of licence at this time, it is important, because the logic for its request is the basis of a further request, namely, an amendment to the regulations in respect of the bill of lading for small shipment carriers.

The Small Shipment Specialists group, as individual carriers, handle "enormously high volumes of small packages or envelopes consolidating them and often carrying thousands of them in one large unit over the highway to a break point . . . To carry a bill for each of a thousand or two thousand packages or shipments on a van requires (under current provisions) the mounting of a valueless paper war . . . furthermore, (current provisions are unenforceable)."⁸

The problem arises out of the provisions of the Public Commercial Vehicles Act, Section 12(n), which requires "that, except as provided in the regulations, every holder of an operating licence shall issue a bill of lading to the person delivering or releasing the goods to the licensee . . ." Regulation 700, Sections 18, 19 and 20 prescribe terms and conditions of the bill of lading. In essence, a bill of lading is required for each and every shipment on board and it must be issued to the shipper at the time the goods are picked up by the carrier.

The intention of the group, which has been discussed with officials of the Ministry of Transportation and Communications at some length, would involve the recording of information on each package carried. Specific papers and documents with respect to the consignment of particular parcels or portions of a total load, would be generated at the carrier's terminal, and would be available for inspection by the Ministry of Transportation and Communications.

In endorsing the principle of a simplified regulation for the small shipment specialists and recommending to the Ministry that it pursue the request to its ultimate adoption, the Committee feels obliged to make certain caveats.

The small shipment specialists testified that rates offered are some fifteen to twenty-five percent below other carriers.⁹ They also support amendments to the Bill of Lading on the basis that it will "eliminate paper work because that eliminates costs and enables us to operate more effectively in the public interest."¹⁰

Given that (1) the testimony of the group did not indicate that they were losing money at current rates given current costs, and (2) the Committee is concerned that while current provisions may be impractical and, therefore, highly unenforceable, a reliance on inspection of carriers' premises may pose new and different problems for enforcement officers, which in fact may be more costly to the government, therefore, the Committee would recommend that when the amendment to the Regulations is implemented, the Ontario Highway Transport Board keep a careful watch on the rates filed by the carriers who will benefit from the revised provisions, and report to the Ministry of Transportation and Communications any increases, or decreases in tariff in the subsequent year.

The Committee, in acknowledging the responsible representations of the carriers involved, take the view that rationalization of law to the benefit of the carriers through a lowering of cost, particularly where it could mean more cost to the Province for enforcement, should result in a reduction of tariff to the benefit of the shipping public.

Recommendations

Specifically, we recommend that Section 17 of Regulation 700 of the Revised Regulations of Ontario, 1970, be amended by the addition to the exemptions from bills of lading, holders of operating licences which specifically authorize the carriage of small packages. Each package should bear a label showing the names of consignor and consignee, the origin and destination of the shipment, and the number of packages for each shipment. However, such licensees should be required to keep a record at their terminals for two years from the date of shipment showing the same information as on the label described above, and also the gross weight of each shipment, its declared value if any, the amount of freight charges and whether collect or prepaid, together with the signature acknowledging delivery. This record shall be produced when required by an enforcement officer.

Livestock

The Committee was impressed by the representations made to it by the Humane Societies. We are in accord with their objectives. We heard from the North Bay and District Humane Society and from the Canadian Federation of Humane Societies.

The condition of animals at stockyards is subject to the Live Stock and Live Stock Products Act of Canada. Every stockyard and packer's yard is subject to inspection at all times by inspectors of the Federal Department of Agriculture, and the owner or operator must afford the inspector every facility requisite to the performance of his duties. The Governor-in-Council may make regulations respecting the transportation of any livestock, and may require any person or class of persons engaged in the transportation of any livestock to register with the Federal Department of Agriculture. Inspectors may examine any vehicle containing livestock and delay the shipment for the time necessary to complete his inspection. Animal contagious diseases are the subject of strict Federal regulation, and supersede any local authority. Every person who neglects to give notice, as required by law, of any facts discovered or perceived by him indicating the appearance or the existence of infectious or contagious disease among animals under his special care, or who conceals the existence of infectious or contagious disease among animals shall incur a penalty not exceeding \$200.

The Criminal Code has dealt with cruelty to animals. The Ontario Ministry of Agriculture, under the terms of the Beef Cattle Marketing Act and the Meat Inspection Act has authorized co-operation with the

Federal Department of Agriculture or with the government of any province of Canada. References to transportation may be found in the Ontario Farm Products Marketing Act, (where "marketing" includes transportation) and in the Ontario Live Stock and Live Stock Products Act, authorizing inspectors to stop and inspect vehicles on highways. Ontario has allowed subsidies to be paid by municipalities to veterinaries in territorial districts, under the terms of the Department of Agriculture and Food Act.

Under the Ontario Farm Products Marketing Act, producers, shippers and the regulatory board have established guidelines for the movement of hogs. Space requirements have been announced, as well as "red alert days." The latter refers to days when heat and humidity must be considered. The information is distributed over the teletype facilities of the Ontario Marketing Board.

On September 11, 1976, a new centre for rest and feeding cattle was opened at a location seven miles west of Thunder Bay. It is a co-operative venture by nineteen Ontario and three Prairie trucking companies. The total investment in constructing a barn and other facilities will be close to \$500,000. Cattle will spend five to ten hours at this station before they continue the trip by road to Ontario feedlots. We are informed that cattle moved in this way will rebound from the trip faster than cattle moved by rail. It is estimated that one thousand truckloads of cattle will move by truck this year from Western Canada to Ontario.

Under Federal Bill C-28, new legislation was passed in 1975, known as the Animal Disease and Protection Act. It is hoped that regulations under this Act, when promulgated, will contribute measurably to the

humane handling of livestock. Watering, feeding and general care of animals are to be the subject of the new law. Mr. Nunn, the Executive Secretary of the Canadian Federation of Humane Societies, referred to these developments in his written submission to us at Ottawa. The Committee supports the principle underlying the new regulations. We are in full support of the statute and hope that appropriate regulations will be promulgated and made effective as soon as possible.

Safety

Safety can be viewed in many ways and it is a vital consideration for a number of different reasons. Motor vehicle accidents and the consequent property damage, personal injury and death have tremendous social and economic impacts on the Ontario public. Accidents, and the relative increases or decreases in their numbers, affect each and every citizen of Ontario, through health care costs, insurance premiums, and motor vehicle repair prices; but, perhaps more importantly, they heavily impact upon our social, physical and psychological well-being. These are clearly our most important assets. As transportation by highway has grown, so has the pain and suffering which so often seems to be naturally and unalterably connected with road travel.

Safety or lack of accidents also affects the economics and decision-making within the commercial transportation industry. If goods are damaged, there can be a real loss for the carrier, for the shipper and for the consumer. If one carrier or one mode has less or more propensity for accidents, then that fact will be in the shipper's mind when he

decides whether to ship by truck, to lease, to buy, or to ship by some other mode.

The issues of highway safety facing the Province are significant enough that a Select Committee was formed to study in detail, methods of achieving greater degrees of safety on our highways.*

We have been in touch with that committee, and will be discussing concerns which are so strongly and mutually held. Every issue involving the safety of commercial motor vehicles on our highways which comes before us will be considered by us or by the Committee on Highway Safety. We intend to comment in more detail in our final report on these subjects, when both Committees have had an opportunity to assess what improvements are necessary and what steps must be taken.

The unions, both the Teamsters and the Brotherhood of Railway, Transport and General Workers, are to be commended for their efforts, through their agreements, to institutionalize both the fact and morality of safety in the highway transport industry. So, too, are many carriers to be commended for their efforts to the same end.

Whether or not a measure of convictions per vehicle indicates good or bad performance of the regulated industry or the unlicensed segment of the industry will not be debated in this report.

But two facts do emerge. One, notwithstanding the current levels of government regulatory involvement in the industry today, trucks are involved in accidents, drivers do at times drive longer hours than

* See Appendix F for terms of reference of the Select Committee on Highway Safety

is safe and drivers do take drugs. Two, there is a significant paucity of data available on the involvement of trucks in motor vehicle collisions.

The available statistics on this subject are not encouraging. The total number of accidents reported for the last two years are:

	<u>1975</u>	<u>1974</u>
Trucks	40,792	37,271
Truck and Trailer	2,425	1,986
Tractor and Semi-trailer	4,277	4,451 ¹¹

Further studies will be required to analyse the particulars of the available data.

In addressing the hypothesis that could safety be made more a prominent concern by those involved, less accidents would result, one must question whether government regulation by itself will provide the answers. Perhaps we will learn from the Ministry of Transportation and Communication's new program which requires twice annual inspections for dump vehicles. More likely, perhaps, a concerted effort is required by the industry, the unions, the government and society as a whole, if today's situation is ever to be improved upon.

In addressing the relative lack of data, the Committee notes that the Ministry of Transportation and Communications and the Ontario Provincial Police have redesigned the Accident Report Form to include breakdowns as to vehicle type which have never before been identifiable in aggregative data. We also note that new statistics are now forthcoming from the Ministry of Transportation and Communication's commercial motor

vehicle inspection program, and as those figures gave guidance and surety to the Ministry in the dump vehicle program, they could provide the key to meaningful programs for other types of commercial motor vehicles.

These again are but general comments. They indicate an overview of the Committee's thoughts on safety. These views and information will be examined in conjunction with the Highway Safety Committee. Throughout this process, we will consider:

- The costs and benefits to the Ontario public of existing programs to improve commercial motor vehicle safety.
- The effectiveness of existing regulations and their enforceability.
- Whether regulation can achieve the goals to be set.
- The effects of accidents and of safety programs on the economics of a trucking firm.
- The effects of current programs, and current law on energy consumption.

In looking at these questions, we will, in conjunction with the Committee on Highway Safety, examine the specific questions listed below which have been brought to our attention.

- Hours of work.
- Use of drugs.
- Requirement for goose necks to transport mobile homes.
- Pup trailer operation.
- Height, weight, width limits, and the use of double trailers on expressways only.

--Sunday trucking.

--Availability of data.

--The dump vehicle inspection program.

--The concept of periodic motor vehicle inspection.

--The expanding use of citizens band radio.

References

¹William Way, "Elements of Freight Traffic," (Regular Carrier Conference, American Trucking Association, 1956) p. 21.

²Op cit. pp. 10-19.

³Canadian Trucking Association brief, Appendix A, p. 1.

⁴Canadian Industrial Traffic League brief, p. 14.

⁵Canadian Manufacturers' Association brief, pp. 9 & 10.

⁶1962 O.R. 560. 32 DLR(2d) 278. Direct Winters Transport Ltd. vs. Duplate Canada Ltd.

⁷Small Shipment Specialists brief, p. 1.

⁸Small Shipment Specialists brief, pp. 11 & 12.

⁹Oral Testimony of Mr. D. Wolsh, representing the Small Shipment Specialists at Toronto, July 28, 1976.

¹⁰Oral Testimony of Mr. R. Rohmer, representing the Small Shipment Specialists at Toronto, July 28, 1976.

¹¹"Accident Facts, 1975," Ministry of Transportation and Communications.

Conclusion

In the event that this Committee is dissolved prior to the delivery of its final report, it is urged that the inquiry be continued by a reconstituted body. We have accumulated a considerable quantity of information which can form the basis of a further report--by ourselves or by others. There is unquestionably a need for further investigation into road transport for the benefit of the user, the supplier and the general public.

SUMMARY OF RECOMMENDATIONS

Unlicensed Truckers

We recommend that:

1. Existing unlicensed carriers should apply for certificates to the Ontario Highway Transport Board, within a prescribed period of time.

2. Applications should name the shippers being served, the commodities being carried, the points of origin and destination, the number of vehicles now being used, and the length of time that the applicant has performed these services.

3. (a) Applications will not be considered from anyone commencing business after October 1, 1976. This is the "grandfather" date.

(b) Records in support of applications must show that service has been established for a period of not less than two years prior to October 1, 1976.

4. The applicant should also supply evidence of financial ability to carry on the business; of vehicles meeting prescribed safety standards; and of the rates to be charged.

5. The applicant shall supply records of employment and the relationship with dependent contractors, to the Ontario Highway Transport Board and these records shall be considered prior to a decision being made.

When the above action has been taken, the Ontario Highway Transport Board will, after due notice by publication in the Ontario Gazette, issue certificates of temporary authority which will be reviewed approximately one year later. If the applicant complies with the relevant

provisions of existing laws, he will then be given permanent operating authority.

The above steps should be accompanied by legislation to mandate:

(1) liability and responsibility on a shipper who engages a trucker who is unlicensed;

(2) registration of driver pools to assure their independence from lessors of equipment;

(3) registration of lessors who supply power equipment to assure that they remain suppliers of vehicles and that they do not undertake to provide transportation.

(4) definition of transportation "for hire" to include carriers who buy goods from a shipper and sell the goods to a consignee at a price which reflects transportation expenses.

(5) owner-operators (or brokers), who own equipment and which is leased, with or without drivers, to licencees, are to be registered, and their method and scale of compensation shall be filed by the licensed carrier.

Empty Movements

Pending further study, we recommend that the regulations affecting truckload or Class "C" for-hire carriers under the Public Commercial vehicles Act be amended to permit interchange of trailers and transfer of

loads, within the terms of their operating authorities. To this end we recommend the deletion of a restriction in Regulation 700 of Section 2(2)(b)(vi)a, which reads as follows:

"where the terms of the operating licence authorize
the transfer of goods, or interchange of trailers, and"

Heretofore a Class "C" carrier was authorized "to effect the transfer of goods or interchange of trailers by a person who is the holder of an operating licence or who is the holder of an operating licence that includes the terms of a Class "C" operating licence,

- "a. where the terms of the operating licence authorize
the transfer of goods or interchange of trailers, and
- "b. if the goods transferred or the trailers interchanged
are transported within the Class "C" authority of the person
to whom the goods are transported or the trailer interchanged."

In effect, the proposed amendment--by deleting Clause "a" above--will remove the prohibition against the transfer of goods or interchange of trailers between Class "C" carriers who are otherwise authorized to perform the transportation service.

Ontario Highway Transport Board

According to the evidence of the Chairman of the Board, given June 29, 1976, amendments are urgently required in respect of:

(1) authority for interim, emergency, temporary and single-trip operations either in conjunction with, or separate from, applications for certificates leading to permanent authority; and

(2) power to order licensees to "cease and desist" after a public review has been held, which has found violations of prior Board orders or contraventions of existing laws.

We concur in these requests and urge prompt legislative action. It is not intended to prohibit the existing rights of appeal of the licensee.

It is also recommended that:

1. Operating licences to be issued to common carriers in the future should set forth points and places to be served. The inconsistency in the Regulations between the definition of a Class "A" carrier, which deals with places to be served, and the form of a Class "A" licence, which deals with the route to be followed, should be removed.

2. Existing operating licences containing erroneous highway numbers should be reviewed by the Ontario Highway Transport Board with a view to clarifying the authority of the licensee.

3. A program of rewriting operating licences should be assigned to a specific bureau or division of the Ontario Highway Transport Board with instructions to simplify each authority in terms of (a) routes (b) commodities (c) shippers (d) equipment. Duplication is to be avoided. Clarity is essential. It is expected that this program will take a considerable length of time.

4. The plan to be adopted for the future should have regard to (a) the method used by the Ministry of Transportation and Communications in licensing buses under the Public Vehicles Act, (b) the style used in the Province of Quebec, (c) the pattern adopted by (i) the other Provinces of Canada and (ii) the Interstate Commerce Commission. Uniformity is

desirable, although not essential. We have difficulty in understanding the existing practices of (i) duplication of intra and extra provincial licences, (ii) provisos relating to licensing in other jurisdictions and (iii) unduly restricting unimportant transfers of shares in corporate licences.

5. The Board should publish a complete directory of licences and trucking services. No such complete directory is presently available, particularly of contract carriers.

Dormant Licences

We recommend that:

1. The transfer or sale of dormant licences be prohibited.

2. Dormancy shall be construed as meaning a refusal or inability to operate in accordance with the expressed terms and conditions of an operating licence.

3. Dormancy shall not exist as long as the licensee holds himself out to the public to provide the transportation service authorized by the operating licence.

4. Dormancy, if and when found as a fact by the regulatory tribunal, shall precede the hearing of an application for the transfer of an operating licence.

5. If and when a bona fide agreement is made for the sale of a transport business, dormancy may not be an issue in the proceedings.

Reciprocity

We recommend that:

(1) A branch or division or bureau be established at once within the Ministry of Transportation and Communications to study the various aspects of reciprocity discussed above.

(2) The bureau be directed to report within six months after its creation with a suggested plan for future action.

(3) The Ministry of Transportation and Communications notify the Canadian Conference of Motor Vehicle Administrators and other interested parties of the creation of the new branch and invite discussion.

(4) Precautions be taken with a view to avoiding congestion on Ontario highways by non-resident carriers of goods, either by provisions for annual review or by the insertion of suitable clauses in each reciprocity agreement.

(5) The ultimate aim of the Government of Ontario shall be the free flow of goods in private as well as for-hire vehicles to and from points outside Ontario with a minimum of interference by way of fees, charges, taxes, reports, records and documentation.

(6) The Ministry of Transportation and Communications should take a leading part amongst the provinces of Canada to promote reciprocity in all its aspects.

(7) Fuel tax and sales tax are the responsibility of the Ministry of Revenue. A joint committee should be established by the Ministry of Transportation and Communications with the Ministry of Revenue to plan future activities.

North Bay Restrictions

We recommend that the division of Ontario at North Bay for the purpose of the Public Commercial Vehicles Act be varied to accord with current conditions. All licensees now restricted as outlined above should be allowed to apply for the removal thereof. The Transport Board should select a date at which all such applications will be consolidated and heard together. The interested shippers or receivers of goods moving north and south of North Bay may appear at the hearing of such applications and support all or some of the applicants. Announcements of the hearings should be given wide publicity in all of the media in northeastern Ontario.

Small Shipments

We recommend that Section 17 of Regulation 700 of the Revised Regulations of Ontario, 1970, be amended by the addition to the exemptions from bills of lading, holders of operating licences which specifically authorize the carriage of small packages. Each package should bear a label showing the names of consignor and consignee, the origin and destination of the shipment, and the number of packages for each shipment. However, such licensees should be required to keep a record at their terminals for two years from the date of shipment showing the same information as on the label described above, and also the gross weight of each shipment, its declared value if any, the amount of freight charges and whether collect or prepaid, together with the signature

acknowledging delivery. This record shall be produced when required by an enforcement officer.

APPENDIX A

NOTICE OF HEARINGS--MAILING LIST

June 23, 1976

Air Conditioning and Refrigeration Wholesalers Association of Canada, Malton
Aggregate Producers' Association of Ontario, Downsview
Action Chamber of Commerce, Acton
Air Industries Association of Canada, Ottawa
Air Transport Association of Canada, Ottawa
Ajax Chamber of Commerce, Ajax
The Allied Farm Services of Canada, London
The Allied Trades of the Baking Industry--Canada Inc., Don Mills
American Marketing Association, Toronto
American Society for Metals--Ontario Chapter, Burlington
The American Society for Quality Control, Scarborough
Angus and District Chamber of Commerce, Angus
Ansonville and District Chamber of Commerce, Ansonville
Apparel Manufacturers Council of Canada, Toronto
Architectural Metal Association, Toronto
The Associated Milk Foundations of Canada, Toronto
Association of Canadian Biscuit Manufacturers, Toronto
Automobile Dealer Associations of Ontario, Toronto
Automotive Industries Association of Canada, Ottawa
Automotive Parts Manufacturers' Association (Canada), Toronto
Automotive Transportation Service Superintendents' Association, Scarborough
Architectural Woodworkers and Store Fitters Association, Toronto
Ayrshire Breeders' Association of Canada

Bakery Council of Canada and Bakery Foods Foundation of Canada, Toronto
Bancroft and District Chamber of Commerce, Bancroft
Barrie Chamber of Commerce, Barrie
Barry's Bay Chamber of Commerce, Barry's Bay
Belleville Chamber of Commerce, Belleville
Blind River Chamber of Commerce, Blind River
The Board of Trade of Metropolitan Toronto, Toronto
Bobcaygeon Chamber of Commerce, Bobcaygeon

Bowmanville Chamber of Commerce, Bowmanville
Bracebridge Chamber of Commerce, Bracebridge, Ontario
Brampton-Chinguacousy Chamber of Commerce, Brampton
Brantford Construction Association Incorporated, Brantford
Brantford Regional Chamber of Commerce, Brantford
Brewers Association of Canada, Ottawa
British Canadian Trade Association, Toronto
Brockville Chamber of Commerce, Brockville
Bruce Mines Chamber of Commerce, Bruce Mines
Builders Exchange of Leamington and District, Leamington
Builder's Exchange Service of The Barrie Chamber of Commerce, Barrie
Builders Hardware Association of Canada, Islington
Burlington Chamber of Commerce, Burlington

Caledonia and District Chamber of Commerce, Caledonia
Canada-Japan Trade Council, Ottawa
Canada Mink Breeders Association, Port Credit
Canada Safety Council, Ottawa
Canadian Aberdeen-Angus Association, Guelph
Canadian Aeronautics and Space Institute, Ottawa
Canadian Agricultural Economics Society, Ottawa
Canadian Allied Textile Trades Association, Toronto
Canadian American Saddle Horse Breeders' Association, Ridgetown
The Canadian Antique Dealers Association, Toronto
Canadian Association of Equipment Distributors, Ottawa
Canadian Association of Exhibitions, Toronto
Canadian Association of Ice Industries Incorporated, Islington
Canadian Association of Marine Equipment Industries, Willowdale
Canadian Association of Movers, Ottawa
Canadian Association of Painting and Decorating Contractors, Toronto
Canadian Association for Production and Inventory Control, Toronto
Canadian Association of Storefitting Manufacturers, Toronto
Canadian Automatic Merchandising Association, Toronto
Canadian Automobile Association, Ottawa

Canadian Automotive Electric Association, Toronto
Canadian Battery Manufacturers' Association, Toronto
Canadian Biochemical Society, Ottawa
The Canadian Brown Swiss Association, Brighton
Canadian Builders Supply Association, Ottawa
The Canadian Business Equipment Manufacturers Association Inc., Rexdale
Canadian Business Press, Toronto
Canadian Canvas Goods Manufacturers' Association, Willowdale
The Canadian Chamber of Commerce, Toronto
Canadian Chamber of Shipping, Ottawa
The Canadian Chemical Producers' Association, Ottawa
Canadian Circulation Managers' Association, c/o The Spectator, Hamilton
Canadian Circulations Audit Board, Inc., Toronto
Canadian Cleaners and Launderers Allied Trades Association, Toronto
Canadian Construction Association, Ottawa
Canadian Co-operative Wool Growers Limited, Toronto
Canadian Copper and Brass Development Association, Toronto
The Canadian Council of Distribution, Toronto
Canadian Council for Fair Taxation, Toronto
Canadian Council of Furniture Manufacturers, Ottawa
Canadian Daily Newspaper Publishers Association, Toronto
Canadian Dairy and Food Industries Supply Association, Bradford
The Canadian Dairy Foods Service Bureau, Toronto
Canadian Diamond Drilling Association, Toronto
Canadian Drug Manufacturers Association, Scarborough
Canadian Economics Association, Ottawa
Canadian Electrical Distributors Association (CEDA) Incorporated, Toronto
Canadian Electrical Manufacturers Association, Toronto
Canadian Electronic Instrument Representatives Association, Scarborough
Canadian Electronic Sales Representatives Association, Toronto
Canadian Electronic Wholesalers' Association, Toronto
Canadian Farm and Industrial Equipment Institute, Toronto
Canadian Fasteners Institute, Toronto
Canadian Federation of Agriculture, Ottawa

Canadian Federation of Humane Societies, Ottawa
The Canadian Federation of Retail Grocers, Islington
Canadian Feed Manufacturers' Association, Richmond Hill
Canadian Fire Apparatus Manufacturers' Association, Woodstock
Canadian Flexible Packaging Institute, Toronto
Canadian Food Brokers Association, Toronto
Canadian Food Executives Association, Toronto
Canadian Food Processors Association, Ottawa
Canadian Forestry Association, Ottawa
Canadian Forgings Association, Toronto
Canadian Fruit Wholesalers' Association, Ottawa
Canadian Gas Association, Don Mills
Canadian German Chamber of Industry and Commerce Inc., Toronto
Canadian Good Roads Association, Ottawa
Canadian Guernsey Breeders Association, Guelph
Canadian Hardwood Plywood Association, Ottawa
Canadian Household Goods Carriers' Tariff Bureau Association, Toronto
Canadian Importers Association Inc., Toronto
Canadian Industrial Advertisers, Hamilton
Canadian Industrial Editors' Association, Islington
Canadian Industrial Sugar Users, Don Mills
The Canadian Industrial Traffic League, Toronto
Canadian Institute of Food Science and Technology, Ottawa
Canadian Institute of Management, Toronto
Canadian Institute of Quantity Surveyors, Toronto
Canadian Institute of Steel Construction, Toronto
Canadian Institute of Steel Tubing Manufacturers, Toronto
Canadian Institute of Tag and Label Manufacturers, Toronto
Canadian Labour Congress, Ottawa
Canadian Lumbermens Association, Ottawa
Canadian Machine Tool Distributors' Association, Toronto
The Canadian Manufacturers' Association, Toronto
Canadian Masonry Contractors Association, Downsview
Canadian Milk Powder Manufacturer's Association, Woodstock
Canadian Mobile Home and Travel Trailer Association, Toronto
Canadian Motor Coach Association, Toronto

Canadian Motorcycle Association, Islington
The Canadian Mushroom Growers' Association, Ottawa
Canadian Nuclear Association, Toronto
Canadian Outdoor Power Equipment Association, Toronto
Canadian Paper Box Manufacturers Association, Toronto
Canadian Paper Trade Association, Toronto
Canadian Particleboard Association, Willowdale
Canadian Potato Ship Association, Ottawa
Canadian Poultry and Egg Council, Islington
Canadian Prestressed Concrete Institute, Toronto
Canadian Printing Ink Manufacturers' Association, Kleinburg
Canadian Record Manufacturers' Association, Toronto
Canadian Refrigeration and Air Conditioning Contractors Association, Mississauga
Canadian Retail Hardware Association, Toronto
Canadian Sanitation Equipment Association, Downsview
Canadian Secondary Materials Association, Toronto
The Canadian Seed Growers' Association, Ottawa
Canadian Seed Trade Association, Richmond Hill
Canadian Sheep Breeders' Association, Aurora
Canadian Sheet Steel Building Institute, Port Credit
Canadian Shipbuilding and Ship Repairing Association, Ottawa
Canadian Shorthorn Association, Guelph
Canadian Soft Drink Suppliers Association, Toronto
Canadian Structural Clay Association, Willowdale
Canadian Swine Breeders Association, Elora
Canadian Swine Council, Ottawa
Canadian Thoroughbred Horse Society, Rexdale
The Canadian Tooling Manufacturers' Association, Toronto
Canadian Toy Importers' Association, Toronto
Canadian Toy Manufacturers Association, Kleinburg
Canadian Transit Association, Toronto
Canadian Transport Tariff Bureau Association, Rexdale
Canadian Truck Body and Equipment Association, Waterloo
Canadian Truck Trailer Manufacturers' Association, Kleinburg

Canadian Trucking Association, Ottawa
Canadian Turkey Federation, Lakeside
Canadian Warehousing Association, Toronto
Canadian Water Conditioners Manufacturers' Association, Toronto
Canadian Water Systems Manufacturers' Association, Toronto
Canadian Water Works Equipment Association, Toronto
Canadian Wine Institute, Toronto
Canadian Wood Council, Ottawa
Central Ontario Industrial Relations Institute, Toronto
The Chamber of Commerce Niagara Falls, Canada, Niagara Falls
La Chambre de Commerce de Casselman, Casselman
La Chambre de Commerce (Francaise) d'Ottawa, Ottawa
Chatham Builders Exchange, Chatham
Chatham Chamber of Commerce, Chatham
Chelmsford and District Chamber of Commerce, Chelmsford
Chemical Industries Accident Prevention Association, Toronto
The Chemical Institute of Canada, Ottawa
Chesterville Chamber of Commerce, Chesterville
Clay Refractories Association, Toronto
Cobourg Chamber of Commerce, Cobourg
Cochrane Board of Trade, Cochrane
Collingwood Chamber of Commerce, Collingwood
Comber Agricultural Society, Comber
The Commercial Travellers' Association of Canada, Toronto
Construction Association of Thunder Bay, Thunder Bay
Construction Safety Association of Ontario, Toronto
Consumers' Association of Canada
Continuing Committee on Poultry Breeding, Ottawa
The Contracting Lathing and Plastering Association of Ontario, Toronto
The Contracting Plasterers Association of Toronto, Toronto
Co-Operative Union of Canada, Ottawa
Cornwall Chamber of Commerce, Cornwall
Cornwall House Builders Association, Cornwall
Corrugated Steel Pipe Institute, Port Credit
Council of the Forest Industries of British Columbia, Willowdale
Council of Printing Industries of Canada, Toronto

Dairy Farmers of Canada, Ottawa
Dairymen's Association of Western Ontario, Dorchester
Direct Sellers Association, Toronto
Dominion Automobile Association, London
Dominion Chartered Customs House Brokers Association, Ottawa
Dryden District Chamber of Commerce, Dryden
Dunnville Chamber of Commerce, Dunnville

Ear Falls District Chamber of Commerce, Ear Falls
Educational Marketing Association, Concord
Eganville Industrial Committee Eganville
Electrical Construction Association of Hamilton, Hamilton
Electronic Industries Association of Canada, Ottawa
Elk Lake and District Chamber of Commerce, Elk Lake
Elliot Lake and District Chamber of Commerce, Elliot Lake
The Elmwood and District Chamber of Commerce, Elmwood
Emo Chamber of Commerce, Emo
Englehart and District Chamber of Commerce, Englehart
Essex County Associated Growers, Leamington
Exeter Industrial Development Commission, Exeter

Federation of Pharmaceutical Industries of Canada, Scarborough
Fenelon Falls Chamber of Commerce, Fenelon Falls
Fergus Chamber of Commerce, Fergus
Fish Distributors Association of Ontario, Toronto
Fisheries Council of Canada, Ottawa
Flesherton & District Chamber of Commerce, Flesherton
Floorcovering Institute of Ontario, Winona
Food Products Accident Prevention Association, Toronto
Forest and District Chamber of Commerce, Forest
Forest Products Accident Prevention Association, Toronto
Forest Products Research Society, Ottawa
Fort Frances Chamber of Commerce, Fort Frances
Fur Trade Association of Canada (Ontario) Inc., Toronto

The Galt Chamber of Commerce, Galt
Galt Industrial Commission, Galt
Galt/Preston/Hespeler Home Builders Association, Preston
Gananoque Chamber of Commerce, Gananoque
Glass Container Council of Canada, Toronto
Grand Bend and Area Chamber of Commerce, Grand Bend
Gravenhurst Board of Trade, Gravenhurst
Greater Ottawa Truckers Association, Ottawa
Greater Port Colborne Chamber of Commerce, Port Colborne
Greater Welland Chamber of Commerce, Welland
Greater Windsor Industrial Commission, Windsor
Grey-Bruce County Federations of Agriculture, Elmwood
Grocery Products Manufacturers of Canada, Ottawa
Grocery Products Manufacturers of Canada, Don Mills
Guelph Chamber of Commerce, Guelph
Guelph Construction Association, Guelph
Guelph and District Home Builders Association, Guelph

Hagersville Chamber of Commerce, Hagersville
The Haliburton Highlands Chamber of Commerce (Inc.), Minden
Hamilton Chamber of Commerce, Hamilton
Hamilton Construction Association, Hamilton
The Hamilton Milk Transport Association, Rexdale
Harriston and District Chamber of Commerce, Harriston
Harrow and Colchester South Chamber of Commerce, Harrow
Hastings and District Chamber of Commerce, Hastings
The Heating, Refrigerating and Air Conditioning Institute of Canada, Malton
The Holstein-Friesian Association of Canada, Brantford
Honey Harbour-Port Severn and District Chamber of Commerce, Port Severn
Huntsville Senior Chamber of Commerce, Huntsville

Independent Tobacconists Wholesale Alliance Limited, Port Credit
Industrial Accident Prevention Association, Toronto
Industrial Cartage Association of Metropolitan Toronto, Toronto

Industrial and Commercial Development Department, Corporation of the City of
London
The Industrial Development Commission of Sarnia
Industrial Instrument Manufacturers Association, Toronto
Industrial Truck Association of Canada, Toronto
The Institute of Edible Foods Oils, Toronto
Institute of Traffic Engineers, Toronto
Kakabeka Falls Chamber of Commerce, Kakabeka Falls
Kapuskasing and District Chamber of Commerce, Kapuskasing
Kenora and District Chamber of Commerce, Kenora
Kingston District Chamber of Commerce, Kingston
Kingston-Frontenac Home Builders Association, Kingston
Kirkland Lake District Chamber of Commerce, Kirkland Lake
The Kitchener Chamber of Commerce, Kitchener
Kitchener Waterloo Construction Association, Waterloo
Lakefield Chamber of Commerce, Lakefield
Lakehead House Builders Association, Thunder Bay
Laminated Timber Institute of Canada, Ottawa
Larder Lake Chamber of Commerce, Larder Lake
Leamington District Chamber of Commerce, Leamington
Leather, Rubber and Tanners Accident Prevention Association, Toronto
The Lighting Equipment Manufacturers' Association, Toronto
Lindsay Chamber of Commerce, Lindsay
Listowel Chamber of Commerce, Listowel
London Chamber of Commerce, London
London and District Construction Association, London
Machinery and Equipment Manufacturers' Association of Canada, Ottawa
Madoc and District Chamber of Commerce, Madoc
Markham Chamber of Commerce, Markham
Master Brewers' Association of Canada--District Ontario, Toronto
Matheson and District Chamber of Commerce, Matheson
Maxville Chamber of Commerce, Maxville
Meaford and District Chamber of Commerce, Meaford
Meat Packers Council of Canada, Islington
Men's Clothing Manufacturers Association of Ontario, Toronto
Metal Trades Accident Prevention Association, Toronto

Metropolitan Hamilton House Builders Association, Hamilton
Metropolitan Toronto Apartment Builders' Association, Toronto
Metropolitan Toronto House Wreckers Association, Toronto
Midland Chamber of Commerce, Midland
The Milk Foundation of Ontario, Toronto
Millers, Feed Manufacturers and Grain Elevators Accident Prevention Association, Toronto
Milton Chamber of Commerce, Milton
The Mining Association of Canada, Toronto
Motor Transport Industrial Relations Bureau, Rexdale
Motor Vehicle Manufacturers' Association, Toronto
Motor Vehicle Safety Association, Don Mills
Mount Forest and District Chamber of Commerce, Mount Forest
Nakina Chamber of Commerce, Nakina
Napanee Chamber of Commerce, Napanee
The National Chinchilla Breeders of Canada, Carleton Place
National Concrete Producers' Association, Downsview
National Construction Industry Development Foundation Inc., Ottawa
National Garment Manufacturers Association, Toronto
National House Builders Association, Toronto
New Hambourg Board of Trade, New Hambourg
Niagara Construction Association, St. Catharines
Niagara Industrial Relations Institute, St. Catharines
Niagara-On-The-Lake Chamber of Commerce, Niagara-on-the-Lake
Niagara Peninsula Home Builders Association, St. Catharines
Nipigon Chamber of Commerce, Nipigon
Non-Ferrous Founders Society, Canadian Management Group, St. Catharines
Norfolk County Chamber of Commerce, Port Rowan
Norfolk Fruit Growers' Association, Simcoe
North Bay and District Chamber of Commerce, North Bay
North Bay and District House Builders Association, North Bay
Northern Ontario Dairymans Association, Sudbury
Northwestern Ontario Associated Chambers of Commerce, Thunder Bay
Northwestern Ontario Timber Operators' Association, Thunder Bay
Norwich and District Chamber of Commerce, Norwich
Nursery Sod Growers Association of Ontario, Downsview

Oakville and District Chamber of Commerce, Oakville
Oil Heating Association of Canada, Toronto
Ontario Asparagus Growers' Marketing Board, St. Catharines
Ontario Association of Ice Cream Manufacturers, Toronto
Ontario Brewers' Institute, Toronto
The Ontario Broiler Chicken Producers' Marketing Board, Burlington
Ontario Camping Association, Toronto
Ontario Chamber of Commerce, Toronto
Ontario Cheese Manufacturers' Association, Toronto
Ontario Christmas Tree Growers' Association Inc., Downsview
Ontario Concentrated Milk Manufacturers Association, Toronto
Ontario Concrete Block Association, Downsview
Ontario Concrete Pipe Association, Downsview
Ontario Cream Producers' Marketing Board, Toronto
Ontario Creamerymen's Association, Woodstock
Ontario Cut Stone Contractors' and Quarrymen's Association, Toronto
Ontario Dairy Processors Council, Toronto
The Ontario Egg and Fowl Producers' Marketing Board, Willowdale
Ontario Federation of Agriculture, Toronto
Ontario Federation of Construction Associations, Toronto
Ontario Flour Millers Association, Toronto
Ontario Food Processors Association, Toronto
Ontario Forest Industries Association, Toronto
Ontario Forestry Association, Toronto
Ontario Frozen Food Council, Toronto
Ontario Fruit and Vegetable Growers' Association, Toronto
Ontario Furniture Manufacturers' Association, Toronto
Ontario Good Roads Association, St. Thomas
Ontario Grain and Feed Dealers' Association, Toronto
Ontario Grape Growers' Marketing Board, St. Catharines
Ontario Hatcheries Association, Toronto
Ontario Hog Producers' Association, Toronto
Ontario Industrial Roofing Contractors' Association, Islington
Ontario Lumber Manufacturers' Association, Toronto

Ontario Maple Syrup Producers' Association, Barrie
The Ontario Marina Operators Association, Toronto
Ontario Milk Distributors Association, Toronto
Ontario Milk and Food Sanitarians Association, Willowdale
The Ontario Milk Marketing Board, Toronto
The Ontario Milk Transport Association, Rexdale
Ontario Mining Association, Toronto
Ontario Motor Coach Association, Toronto
Ontario Motor League, Toronto
Ontario Movers Association, Rexdale
Ontario Poultry Council, Toronto
Ontario Poultry Processors Association, Islington
Ontario Precast Concrete Manufacturers Association, Toronto
The Ontario Professional Foresters Association, Richmond Hill
Ontario Pulp and Paper Makers Safety Association, Toronto
Ontario Retail Accident Prevention Association, Toronto
Ontario Retail Farm Equipment Dealers' Association, Scarborough
Ontario Retail Gasoline Association, Downsview
Ontario Retail Lumber Dealers Association, Toronto
Ontario Road Builders' Association, Downsview
Ontario Road Superintendents' Association, London
Ontario Safety League, Toronto
Ontario Sanitation Equipment Association, Downsview
Ontario Sheep Breeders and Producers Association, Newmarket
Ontario Soft Drink Association, Toronto
Ontario Soya-Bean Growers' Marketing Board, Chatham
Ontario Swine Breeders' Association, Toronto
Ontario Tender Fruit Growers' Marketing Board, St. Catharines
The Ontario Traffic Conference, Willowdale
The Ontario Turkey Producers' Marketing Board, Lakeside
Ontario Weekly Newspapers Association, Oakville
Ontario Wheat Producers' Marketing Board, Chatham
Orangeville and District Chamber of Commerce, Orangeville
Orillia and District Chamber of Commerce, Orillia

Orillia District Construction Association, Orillia
Orono Chamber of Commerce, Orono
Oshawa Chamber of Commerce, Oshawa
Oshawa and District Construction Exchange, Oshawa
The Ottawa Board of Trade, Ottawa
Ottawa Construction Association, Ottawa
The Ottawa Forest Protective Association, Pembroke
Oxford Federation of Agriculture, Norwich

Packaging Association of Canada, Toronto
Paris Board of Trade, Paris
The Parry Sound Area Chamber of Commerce, Parry Sound
Peace Bridge Area Chamber of Commerce, Fort Erie
Pembroke Chamber of Commerce, Pembroke
Penetanguishene Chamber of Commerce, Penetanguishene
The Perth Chamber of Commerce, Perth
Perth Federation of Agriculture, Mitchell
Pet Food Manufacturers Association of Canada, Don Mills
Peterborough District Construction Exchange, Peterborough
Peterborough and District Home Builders Association, Peterborough
The Petroleum Association of Ontario, Toronto
Pharmaceutical Manufacturers Association of Canada, Ottawa
Plattsville Board of Trade, Plattsville
Pointe au Baril Chamber of Commerce, Pointe au Baril Station
Pontypool Chamber of Commerce, Pontypool
Port Dover Board of Trade, Port Dover
Port Elgin and District Chamber of Commerce, Port Elgin
Port Hope Chamber of Commerce, Port Hope
Port Rowan--Long Point Chamber of Commerce, Port Rowan
Port Stanley Chamber of Commerce, Port Stanley
Portland Cement Association, Toronto
Poultry Products Institute of Canada, Inc., Toronto
Powassan and District Chamber of Commerce, Powassan
Prescott Chamber of Commerce, Prescott
Preston Chamber of Commerce, Preston
Prince Edward Chamber of Commerce, Picton

Produce Haulers' Association of Ontario, Rexdale
Propane Gas Association of Canada, Toronto
The Proprietary Association of Canada, Toronto
Pulpwood Salvage Association, Thunder Bay
Purchasing Management Association of Canada, Toronto

Quinte Construction Association, Belleville
Quinte Home Builders Association, Belleville

Radio Common Carriers Association of Canada, Rexdale
Rainy River & District Chamber of Commerce, Rainy River
Red Lake District Chamber of Commerce, Red Lake
Retail Council of Canada, Toronto
Retail Merchants Association of Canada (National) Inc., Scarborough
Retail Merchants Association of Canada (Ontario) Inc., Scarborough
Richmond Hill Chamber of Commerce, Richmond Hill
Ridgetown and District Chamber of Commerce, Ridgetown
The Rubber Association of Canada, Toronto
St. Catharines and District Chamber of Commerce, St. Catharines
St. Joseph Island Chamber of Commerce, Richards Landing
St. Mary's and District Chamber of Commerce, St. Mary's
St. Thomas Board of Trade, St. Thomas
St. Thomas and District Construction Association, St. Thomas
Sales and Marketing Executives of Toronto, Toronto
Sarnia Branch of the National House Builders Association, Sarnia
Sarnia Construction Association, Sarnia
Sarnia and District Chamber of Commerce, Sarnia
Sauble Beach Chamber of Commerce, Sauble Beach
Sault Ste. Marie Builders Exchange, Sault Ste. Marie
Sault Ste. Marie and District Chamber of Commerce, Sault Ste. Marie
School Bus Operators Association of Ontario, King City
Simcoe Chamber of Commerce, Simcoe
Sioux Lookout Chamber of Commerce, Sioux Lookout
Sioux Narrows Chamber of Commerce, Sioux Narrows

Smith Falls Chamber of Commerce, Smith Falls
Society of the Plastics Industry of Canada, Don Mills
South Waterloo Agricultural Society, Galt
Steel Castings Institute of Canada, Kleinburg
Steel Service Centre Institute of Canada Inc., Toronto
Stirling Chamber of Commerce, Stirling
Stratford Chamber of Commerce, Stratford
Stratford Industrial Commission, Stratford
Sudbury Construction Association, Sudbury
Sudbury and District Chamber of Commerce, Sudbury
Sudbury Home Builders Association, Sudbury

Tanners Association of Canada, Kleinburg
Tavistock Men's Club and Board of Trade, Tavistock
Tea and Coffee Association of Canada, Don Mills
Temiskaming Cattle Breeding Association, New Liskeard
Terrazzo, Tile and Marble Association of Canada, Willowdale
Textile and Allied Industries Accident Prevention Association, Toronto
Thedford and District Chamber of Commerce, Thedford
Thessalon Chamber of Commerce, Thessalon
Thorold Chamber of Commerce, Thorold
Thunder Bay Chamber of Commerce, Thunder Bay
Timmins-Porcupine Chamber of Commerce, Timmins
Toilet Goods Manufacturers Association, Toronto
Toronto Cloak Manufacturers' Association, Toronto
Toronto Construction Association, Toronto
Toronto and District Excavators Association, Toronto
Toronto Dress and Sportswear Manufacturers' Guild Inc., Toronto
Toronto Home Builders' Association, Willowdale
Toronto Junior Board of Trade, Toronto
Toronto Milk Transport Association, Rexdale
Toronto Sheet Metal and Air Handling Group, Toronto
Transportation Safety Association of Ontario, Toronto
Trenton Chamber of Commerce, Trenton
Tweed Chamber of Commerce, Tweed

United Co-operatives of Ontario, Weston
Vanier Chamber of Commerce, Vanier
Victoria Harbour Chamber of Commerce, Victoria Harbour
Walkerton Chamber of Commerce, Walkerton
Wallaceburg Chamber of Commerce, Wallaceburg
Wasaga Beach Chamber of Commerce, Wasaga Beach
Waterloo Chamber of Commerce, Waterloo
Waubauskene Chamber of Commerce, Waubauskene
Wawa and District Chamber of Commerce, Wawa
Western Ontario Breeders Incorporated, Woodstock
Westport Chamber of Commerce, Westport
Whitby Chamber of Commerce, Whitby
The Wholesale Lumber Dealers Association Inc., Toronto
Windsor Chamber of Commerce, Windsor
Windsor Construction Association, Windsor
Woodstock District Chamber of Commerce, Woodstock
Young Drivers of Canada, St. Catharines
Zinc Institute, Inc., Toronto
Owen Sound Chamber of Commerce, Owen Sound

Canadian Brotherhood of Railway, Transport and General Workers
2300 Carling Avenue
Ottawa, Ontario
National Secretary Treasurer Richard A. Gingerich

Rural Ontario Municipal Association
Attn: Mr. D. Rodgers, Secretary-Treasurer
Convention Mezzanine
Royal York Hotel
Toronto M5J 1E3

Ontario Chiefs of Police
Secretary-Treasurer J. G. Wales
7 Dominion Drive
Lindsay K9V 1H6

The Secretary
Garage Operators' Association
705 Progress Avenue
Unit #17
Scarborough, Ontario M1H 2X1

The Secretary
Association of Municipalities of Ontario
Royal York Hotel
100 Front Street West
Convention Mezzanine Floor
Toronto, Ontario
M5J 1E3

Ontario Teamsters Unions:

Local 91
428 Rideau Street
Suite 201
Ottawa K1N 5Z2

Local 141
426 3rd Street
London N5W 4W6

Local 230
1262 Don Mills Road
Don Mills M3B 2W6

Local 352
1723 Wilson Avenue
Downsview M3L 1A7

Local 419
1194 Matheson Blvd.
Mississauga

Local 647
1723 Wilson Avenue
Downsview

Local 847
88 University Avenue
Suite 903
Toronto M5J 1T6

Local 879
412 Rennie Avenue
Hamilton L8H 3P5

Local 880
2130 Wyandotte S.W.
Windsor N9B 1J9

Local 938
1194 Matheson Blvd.
Mississauga L4W 1Y2

Local 1000
63 Centennial Parkway S.
Soney Creek L8G 2C6

Local 990
264 Bay Street
Thunder Bay P7B 1R5



Government of Ontario Select Committee on Highway Transportation of Goods

The Select Committee on Highway Transportation of Goods has been appointed to examine, investigate, enquire into, study and report on all matters pertaining to the transportation in Ontario of goods on Ontario highways, including all matters affecting or pertaining to the shippers of goods and the transporters of goods whether for gain or not for gain, the regulatory process and the public interest in general.

The Committee will be holding Public Meetings commencing in the month of July and invites written briefs and/or oral presentations from interested parties.

Submit your written brief on Highway Transportation of Goods by July 15, 1976, to:

Select Committee on Highway Transportation
of Goods
Room 440, Main Parliament Building
Queen's Park, Toronto M7A 1A2
Attention: David Callfas

Public Meetings will be held in Toronto on July 20, 21, 22, 27, 28, and 29; and in the following centres on dates to be announced:

Fort Erie	Owen Sound
Fort Frances	Pembroke
Geraldton	Sarnia
Kapuskasing	Sault Ste. Marie
Hawkesbury	Sudbury
Kingston	Timmins
London	Thunder Bay
North Bay	Windsor
Ottawa	

If necessary various authors of written briefs may be invited or may at their own discretion appear before the Committee.

Terms of reference are available on request.

Bud Gregory, M.P.P.
Chairman of the Committee

David Callfas.
Clerk of the Committee

416-965-1406

APPENDIX B

Class	1933	1934	1935	1936	1937
Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates

A	232	1383	230	1580	247	1825	257	2096	251	2242
B	133	173	119	147	126	169	122	173	104	150
C	353	710	356	749	430	878	545	1063	699	1283
D	115	330	129	357	149	454	100	352	106	391
E	1406	1639	1132	1341	1266	1508	539	672	502	670
F							1328	1558	1412	1899
G							96	212	112	246

Class	1938		1939		1940		1941		1942	
	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates
A	285	2287	280	2426	271	2751	263	3314	243	3145
B	51	73	40	56	35	54	38	50	34	49
C	686	1377	709	1440	668	1475	696	1518	665	1438
D	111	403	166	541	189	628	212	734	200	666
E	623	738	629	806	613	847	677	832	630	832
F	1870	2185	1805	2191	1654	2333	1891	2542	1764	2356
H	124	278	129	284	130	297	134	328	135	331
	3750	7341	3758	7744	3560	8385	3911	9318	3671	8817

Class	1943	1944	1945	1946	1947					
	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates				
A	245	3282	248	3156	251	3290	259	3701	275	4027
B	35	53	39	52	38	53	42	57	44	53
C	672	1366	688	1348	714	1513	751	1673	787	1834
D	212	655	232	561	213	547	248	712	269	922
E	698	829	654	846	656	834	669	862	710	881
F	1689	2035	1681	1913	1650	1928	1923	2383	2049	2926
FS									104	120
H	136	332	131	321	135	359	145	422	152	464
	3687	8552	3673	8197	3657	8524	4037	9810	4390	11227

Class	1948			1949			1950			1951			1952		
	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.
A	256	4390	255	4861	246	5605	223	6084	229	6548					
B	42	66	41	67	41	69	39	71	35	70					
C	741	1860	689	1868	647	1997	596	2092	608	2132					
D	295	1026	316	1181	357	1515	387	1765	358	2172					
E	689	921	674	945	722	975	758	959	719	997					
F	2289	3026	2474	3277	2552	3489	2712	3504	2913	4242					
FS	182	278	278	395	315	451	318	494	330	515					
H	149	495	154	508	153	563	152	609	158	681					
K					58	118	69	134	81 (by (Trip permits)	176					
L	4643	12062	4881	13102	5091	14782	5254	15712	5452	17533					

21

Class	1953			1954			1955			1956			1957		
	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.
A	229	7292	217	7725	209	8286	206	9328	203	9844					
B	38	73	39	76	38	80	35	96	32	96					
C	598	2214	565	2306	536	2419	545	2659	505	2922					
D	471	2563	477	2510	449	2426	503	3206	581	4089					
E	724	986	737	1008	716	1019	715	1011	679	1036					
F	3300	5032	4074	5929	4666	7103	5091	7780	4751	8008					
FS	353	569	361	605	354	644	364	716	354	698					
H	150	724	150	753	138	746	140	850	144	885					
K	95	220	97	241	102	257	114	287	126	320					
L	25s/tPermit		34s/tPermit		37s/tPermit		44s/tPermit		49s/tPermit						
X					147	736	378	1283	548	1790					

5983 .19673 6771 21153 7392 23716 .8135 27216 7972 29688

Class	1958			1959			1960			1961			1962		
	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.
A	201	9812	184	11143	183	11599	187	11780	188	12254					
B	32	117	30	132	30	104	28	99	25	100					
C	476	3256	438	3726	430	3851	443	3692	407	3995					
D	670	4417	742	4789	817	5055	862	5386	933	5479					
E	699	1064	669	1085	667	1088	679	1129	691	1123					
F	4962	8332	5457	8778	5001	9051	5291	9247	5299	9927					
FS	342	712	337	659	337	724	338	744	349	779					
H	151	939	149	958	158	1061	159	1096	158	1175					
K	126	342	134	375	145	406	147	406	143	430					
L	51s/t Permit		55s/t Permit		61s/t Permit		64s/t Permit		57s/t Permit						
X	600	2511	675	3153	699	3497	749	3843	781	3314					
	8310	31502	8870	34798	8528	36446	8947	37422	9031	38576					
Class	1963			1964			1965			1966			1967		
	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.	Plates	Op'trs.
A	233	13021	240	14823	253	16239	260	16679	272	17506					
B	23	75	22	78	22	88	22	93	214	4805					
C	388	4035	378	4276	359	4524	317	4860	214	4805					
D	937	5813	1086	5763	999	5965	1096	5952	1080	5235					
E	637	1111	635	1108	602	1093	554	1059	444	1038					
F	5186	10318	5354	11027	5551	11845	5514	12274	5123	12942					
FS	343	806	345	853	345	892	351	874	330	876					
H	187	1288	189	1384	187	1467	187	1552	194	1647					
K	143	434	154	479	148	491	137	508	137	525					
L	58s/t Permit		55s/t Permit		58s/t Permit		55s/t Permit		61s/t Permit						
X	805	4413	828	4671	859	5497	860	6318	874	6872					
	8940	41314	9286	44462	9383	48101	9353	50169	8729	52446					

Class	1968	1969	1970	1971	1972
	Op'trs.	Plates	Op'trs.	Plates	Op'trs.
A	275	18843	277	20025	303
C	206	4625	197	4951	190
D	1144	6784	1170	7328	1162
E	49	1072	386	1046	343
F	540	13173	5632	13299	5677
FF	4	-	18	-	27
FS	30	886	319	864	320
H	139	1650	187	1686	183
K	138	538	137	542	131
L	66 s/t Permit	-	74 s/t Permit	-	76
R	-	-	-	-	-
T	887	7152	921	8216	941
Conversion Units	-	-	-	-	4
(All Classes)	-	-	-	-	-
	9158	54723	9318	57957	9357
					59359
					9976
					40003
					9665
					41803

Class	1973	1974	1975	1976	1977
	Op'trs.	Plates	Op'trs.	Plates	Op'trs.
A	338	13155	357	13593	355
C	176	4299	166	4282	157
D	1240	7820	1322	8082	1185
E	263	768	233	728	212
F	6184	10258	6392	10342	6306
FF	29	-	32	-	9
FS	274	573	260	554	254
H	170	1641	157	1674	154
K	130	346	136	404	137
L	83	-	96	-	105
R	-	-	-	-	-
X	1035	3554	1099	3797	1063
T	83	729	87	766	92
Conversion Units	-	135	-	204	-
	10005	43278	10337	44426	11698
					45621

* Includes 3, 6, 9 and 12 month licences.

N.B. 1971 to 1975 decrease in vehicle licences is due to the exclusion of trailers from licensing requirements.

APPENDIX C

PRESS RELEASE - SEPTEMBER 15, 1976

QUEBEC CITY - Provincial ministers responsible for transportation meeting at the annual conference of the Roads and Transportation Association of Canada expressed serious concern about the threatened federal takeover of existing provincial control of the motor carrier industry.

The ministers strenuously opposed the expressed intention of the Federal Government to introduce federal legislation this fall to control truck and bus operations crossing provincial borders.

The Provincial ministers stated a willingness to work with the Federal Minister in defining and resolving any problems that may exist. In fact, they added, this could result in a joint definition of any federal role in extra-provincial trucking. However, they questioned whether existing problems warrant the proposed federal action.

The Provincial ministers stressed that any future discussions on this topic must involve the participation of affected public and industry groups.

APPENDIX D

BILL 4

Government Bill

3RD SESSION, 30TH LEGISLATURE, ONTARIO
25 ELIZABETH II, 1976

**An Act to amend
The Public Commercial Vehicles Act**

THE HON. J. W. SNOW
Minister of Transportation and Communications

EXPLANATORY NOTE

Subsection 1 of section 2 prohibits the operation of a commercial motor vehicle on a highway for compensation except in accordance with the conditions specified therein. Subsection 2 provides exceptions to the prohibition in subsection 1. The proposed amendment is an added exception.

Subsection 1 of section 3 provides basically that where goods are transported in a commercial vehicle not owned or leased by the owner of the goods and pursuant to an agreement under which the owner or lessee directly or indirectly receives compensation, the goods are deemed to be transported by the owner or lessee of the vehicle for compensation. Subsection 2 of section 3 sets out circumstances in which an agreement shall be deemed not a valid lease for purposes of the Act. The proposed amendment adds to the list of circumstances under which an agreement or arrangement shall be deemed not a valid lease.

New section 3a of the Act prohibits the entering into of an arrangement or agreement to lease a vehicle with a gross weight in excess of 28,000 pounds if the lessee does not have to return the vehicle to the place where he received it from the lessor.

BILL 4

**An Act to amend
The Public Commercial Vehicles Act**

1976

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 2 of section 2 of *The Public Commercial Vehicles Act*, being chapter 375 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1973, chapter 166, section 2, is amended by striking out "or" at the end of clause *a*, by adding "or" at the end of clause *b* and by adding thereto the following clause:

(c) the transportation by a commercial vehicle of ready mixed concrete.

2. Subsection 2 of section 3 of the said Act, as re-enacted by the Statutes of Ontario, 1973, chapter 166, section 3, is amended by striking out "or" at the end of clause *e*, by adding "or" at the end of clause *f* and by adding thereto the following clause:

(g) if, in the case of a vehicle with a gross weight in excess of 28,000 pounds,

(i) under the arrangement or agreement a provision for the return of the vehicle by the lessee to the point of receipt of the vehicle by the lessee at the completion of the arrangement or agreement is not included, or is altered or modified, or

(ii) the lessee gives up possession or control of the vehicle prior to the return of the vehicle to its point of receipt from the lessor,

but this clause does not make invalid an arrangement or agreement where the vehicle that is the subject of the arrangement or agreement is replaced by the lessor of the vehicle because it becomes unserviceable during the term of the arrangement or agreement.

s. 3a,
enacted

3. The said Act is amended by adding thereto the following section:

Return of
vehicle to
point of
receipt

3a. No person shall enter into an arrangement or agreement for the leasing of a vehicle with a gross weight in excess of 28,000 pounds where the arrangement or agreement does not provide for the return of the vehicle by the lessee to the point of receipt of the vehicle by the lessee at the completion of the arrangement or agreement.

Commence-
ment

4. This Act comes into force on the day it receives Royal Assent.

Short title

5. This Act may be cited as *The Public Commercial Vehicles Amendment Act, 1976*.

APPENDIX E

"ARRANGEMENT DE RECIPROCITE EN MATIERE
D'IMMATRICULATION DE VEHICULES AUTO-
MOBILES ENTRE LA PROVINCE DE QUEBEC ET
LA PROVINCE D'ONTARIO"

Dans le présent arrangement, les expres-
sions suivantes signifient:

"transport privé": l'utilisation d'un
véhicule désigné comme "véhicule de li-
raison" au Québec et comme "commercial
vehicle" en Ontario pour le transport
de biens qui sont la propriété du pro-
priétaire de ce véhicule;

"place d'affaires": dans le cas d'une
personne effectuant un transport privé,
l'endroit où elle exploite une entre-
prise qui n'est pas une entreprise de
transport;

"transporteur public": une entreprise
de transport routier qui détient un per-
mis délivré en vertu de la Loi sur le
transport par véhicule à moteur, Statuts
révisés du Canada, 1970, chapitre M-14,
pour la province d'Ontario et la provin-
ce de Québec et comprend le transport
de biens visés au sous-paragraphe e) du
paragraphe 3 ci-dessous.

Cet arrangement a pour objet de désigner
des catégories ou classes de véhicules
et des produits qui peuvent être trans-
portés entre les provinces de Québec et
d'Ontario et d'édicter les conditions
et restrictions applicables à ces véhi-
cules.

1. Toute personne qui effectue un
transport privé, qui a une place
d'affaires au Québec seulement et
dont le véhicule est immatriculé
dans la province de Québec, peut
utiliser son véhicule pour trans-
porter des biens de la province
d'Ontario à la province de Québec,
ou pour transporter des biens de
la province de Québec à la provin-
ce d'Ontario sans que ce véhicule
soit immatriculé dans la province
d'Ontario.

"AGREEMENT RESPECTING RECIPROCITY IN THE
MATTER OF REGISTRATION OF CERTAIN MOTOR
VEHICLES BETWEEN THE PROVINCE OF ONTARIO
AND THE PROVINCE OF QUEBEC"

In this agreement:

"private carriage" means the operation of
a vehicle designated as "delivery vehi-
cle" in Quebec and as "commercial vehi-
cle" in Ontario for the transportation
of goods which are the property of the
owner of this vehicle;

"place of business" means, in the case
of a person engaged in private transpor-
tation, the place where this person
operates an enterprise which is not an
enterprise of transportation;

"public carrier" means an enterprise of
road transportation which holds a permit
issued pursuant to the Motor Vehicle
Transport Act, Revised Statutes of Cana-
da, 1970, ch. M-14, for the Province of
Ontario and the Province of Quebec and
includes the transportation of goods
designated in sub-paragraph e) of para-
graph 3 hereafter.

The purpose of this agreement is to des-
ignate categories or classes of vehicles
and products which may be carried be-
tween the provinces of Quebec and Ontario
and to provide for conditions and res-
trictions applicable to these vehicles.

1. A person engaged in private transpor-
tation who has a place of business
in the Province of Quebec only and
whose vehicle is registered in the
Province of Quebec may use his vehi-
cle for the transportation of goods
from the Province of Ontario to the
Province of Quebec, or for the trans-
portation of goods from the Province
of Quebec to the Province of Ontario,
without this vehicle being registered
in the Province of Ontario.

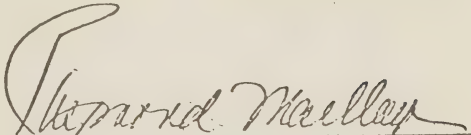
2. Toute personne qui effectue un transport privé, qui a une place d'affaires en Ontario seulement, et dont le véhicule est immatriculé dans la province d'Ontario, peut utiliser son véhicule dans la province de Québec pour transporter des biens de la province d'Ontario à la province de Québec ou pour transporter des biens de la province de Québec à la province d'Ontario sans que ce véhicule soit immatriculé au Québec.
3. Sous réserve du paragraphe 5 ci-dessous, un transporteur public dont la principale place d'affaires est située dans la province de Québec et dont le véhicule est immatriculé dans la province de Québec peut utiliser ce véhicule dans la province d'Ontario pour transporter des biens de la province de Québec à la province d'Ontario, ou pour transporter des biens de la province d'Ontario à la province de Québec, sans que ce véhicule ne soit immatriculé dans la province d'Ontario lorsque les biens transportés sont:
 - a) des meubles meublants usagés, non emballés au moyen d'emballages construits spécifiquement pour chacun de ces meubles, des objets ou des biens utilisés pour la production de spectacles ou expositions culturels y compris des représentations musicales ou de ballet ou des spectacles de théâtre, à la condition toutefois que ces spectacles, expositions ou représentations soient faits ou donnés sans but lucratif;
 - b) des produits naturels de la ferme transportés du lieu de production, de cueillette ou d'extraction à une installation de transformation ou à un marché ou chez un marchand;
2. A person engaged in private transportation who has a place of business in the Province of Ontario only and whose vehicle is registered in the Province of Ontario may use his vehicle in the Province of Quebec for the transportation of goods from the Province of Ontario to the Province of Quebec, or for the transportation of goods from the Province of Quebec to the Province of Ontario, without this vehicle being registered in the Province of Quebec.
3. Subject to paragraph 5 hereafter, a public carrier whose principal place of business is located in the Province of Quebec and whose vehicle is registered in the Province of Quebec may use his vehicle in the Province of Ontario for the transportation of goods from the Province of Quebec to the Province of Ontario, or for the transportation of goods from the Province of Ontario to the Province of Quebec, without this vehicle being registered in the Province of Ontario provided the goods transported are:
 - a) used, uncrated household goods or objects and materials used in the production of cultural presentations and/or exhibitions, including musical and ballet presentations and art exhibitions, if such presentations or exhibitions are not carried on solely for the purpose of financial gain;
 - b) natural products of the farm carried from the place of production, harvesting or extraction to a processing plant, market or merchant's establishment;


3. c) des animaux vivants;
 - d) des produits de laiterie, crème-rie ou fromagerie;
 - e) du bois de pulpe coupé mais non transformé, des copeaux de bois, du bran de scie, du bois de corde destiné au chauffage ou des bûches.
4. Sous réserve du paragraphe 5 ci-dessous, un transporteur public dont la principale place d'affaires est située dans la province d'Ontario et dont le véhicule est immatriculé dans la province d'Ontario peut utiliser ce véhicule dans la province de Québec pour transporter des biens de la province d'Ontario à la province de Québec ou pour transporter des biens de la province de Québec à la province d'Ontario sans que ce véhicule ne soit immatriculé dans la province de Québec lorsque les biens transportés sont:
 - a) des meubles meublants usagés, non emballés au moyen d'emballages construits spécifiquement pour chacun de ces meubles, des objets ou des biens utilisés pour la production de spectacles ou expositions culturels y compris des représentations musicales ou de ballet ou des spectacles de théâtre, à la condition toutefois que ces spectacles, expositions ou représentations soient faits ou donnés sans but lucratif;
 - b) des produits naturels de la ferme transportés du lieu de production, de cueillette ou d'extraction à une installation de transformation ou à un marché ou chez un marchand;
3. c) live animals;
 - d) dairy products, cream or cheese;
 - e) unprocessed pulpwood, wood chips, sawdust, cordwood.
4. Subject to paragraph 5 hereafter, a public carrier whose principal place of business is located in the Province of Ontario and whose vehicle is registered in the Province of Ontario may use his vehicle in the Province of Quebec for the transportation of goods from the Province of Ontario to the Province of Quebec, or for the transportation of goods from the Province of Quebec to the Province of Ontario without this vehicle being registered in the Province of Quebec provided the goods transported are:
 - a) used, uncrated household goods or objects and materials used in the production of cultural presentations and/or exhibitions, including musical and ballet presentations and art exhibitions, if such presentations or exhibitions are not carried on solely for the purpose of financial gain;
 - b) natural products of the farm carried from the place of production, harvesting or extraction to a processing plant, market or merchant's establishment;


4. c) des animaux vivants;
 - d) des produits de laiterie, crème-rie ou fromagerie;
 - e) du bois de pulpe coupé mais non transformé, des copeaux de bois, du bran de scie, du bois de corde destiné au chauffage ou des bûches.
5. Le présent arrangement ne dispense pas un transporteur contre rémunération de l'obligation de détenir tout permis prescrit par un règlement adopté en vertu de la Loi des transports du Québec (L.Q. 1972, ch. 55) et ses amendements ou par l'ordonnance générale 4995 sur le camionnage adoptée par la Régie des transports (du Québec) et ses amendements.
6. Il est aussi convenu que dans le cas d'un transporteur détenant un permis de camionnage en vrac délivré en vertu du règlement 12 sur le camionnage en vrac adopté par l'arrêté en conseil 2389-73 du 29 juin 1973 et ses amendements, le droit annuel payable pour un détenteur de l'Ontario d'un tel permis ne soit pas supérieur à \$15 par véhicule.
7. Le présent arrangement entrera en vigueur le 15 novembre 1975, sous réserve qu'il soit approuvé par le lieutenant-gouverneur en conseil de la province d'Ontario et que le ministre des transports et communications de la province d'Ontario en devienne partie et de son adoption par le lieutenant-gouverneur en conseil de la province de Québec.
4. c) live animals;
 - d) dairy products, cream or cheese;
 - e) unprocessed pulpwood, wood chips, sawdust, cordwood.
5. This agreement does not waive a public carrier from the obligation to hold any permit prescribed by a regulation adopted pursuant to the Quebec Transport Act (L.Q. 1972, ch. 55) and its modifications or by General Order 4995 on trucking adopted by the (Quebec) Transport Board and its modifications.
6. It is further agreed that in the case of a carrier holding a permit for bulk trucking delivered pursuant to Regulation 12 on bulk trucking adopted by Order in Council 2389-73 of the 29th of June, 1973, and its modifications, the annual fee payable by the Ontario holder of such a permit will not be more than \$15.00 per vehicle.
7. This agreement shall come into force on the 30th of November 1975, provided it is approved by the Lieutenant-Governor in Council of the Province of Ontario and provided that the Minister of Transportation and Communications of the Province of Ontario becomes party of this agreement and provided also that it is adopted by the Lieutenant-Governor in Council of the Province of Quebec.

EN FOI DE QUOI les présentes ont été
signées en triple original à Toronto
pour l'Ontario, le 27 novembre 1975
et à Québec pour le Québec, le 19
septembre 1975.

IN WITNESS WHEREOF these presents have
been executed in triplicate at Toronto
for Ontario, on the 27th of November, 1975
and at Quebec City for Quebec on the 19th
of September, 1975.


Ministre des Transports du Québec
Minister of Transports for Quebec


Minister of Transportation and
Communications for Ontario
Ministre des Transports et Commu-
nications de l'Ontario


Ministre des Affaires intergouver-
nementales du Québec
Minister of Intergovernmental
Affairs for Quebec

APPENDIX F

TERMS OF REFERENCE OF SELECT COMMITTEE ON HIGHWAY SAFETY

On motion by

Mr. Welch moves, seconded by Mr. Deans,

Ordered

That a Select Committee of the House be appointed to study the overall question of highway safety in all its phases, including the problems associated with drinking and driving, the methods of accident prevention now in general use, driver education in the school system and public education, and to examine and consider any proposals designed to reduce the number of highway accidents submitted to the Committee and to report on methods to achieve greater safety on the highway, and more particularly, such matters as:

- the regulation and control of traffic through enforcement;
- stricter enforcement of the laws that pertain to drinking-driving offences for all ages;
- driver examination and licensing standards;
- driver improvement and rehabilitation, including the demerit point system and traffic clinics (North York Traffic Tribunal);
- an assessment of potential benefits of photos on non-counterfeitable drivers' licences and methods of implementation and administration;
- an assessment of benefits of a vehicle registration and title system;
- an assessment of benefits of Ontario's motor vehicle inspection programs;
- the transportation of children to and from school and the vehicles and their drivers;
- the licensing of driving schools;
- equipment standards for tow trucks;
- operation of multiple vehicle combinations (pup trailers);
- the benefits of the application of a penalty against any person who leaves keys in the ignition lock of an unattended motor vehicle;
- the most appropriate type of helmet for moped riders;
- and such other matters as may be referred to the Committee by the Minister of Transportation and Communications;

And to submit an interim report to the Assembly not later than September 31, 1976, and a final report not later than December 31, 1976.

And that the Select Committee have authority to sit during recesses and the interval between Sessions and have full power and authority to employ counsel and such other personnel as may be deemed advisable and to hold meetings and hearing in such places as the Committee may deem advisable and to call for persons, papers and things and to examine witnesses under oath, and the Assembly doth command and compel attendance before the said Select Committee of such persons and the production of such papers and things as the Committee may deem necessary for any Speaker may issue his warrant or warrants.

And that the said Committee be composed of thirteen Members, as follows:

Mr. Young (Chairman), Messrs. Bounsall, Breaugh, Ferrier, Givens, Johnson (Wellington-Dufferin-Peel); Kennedy, Maeck, McCague, Mackenzie, Nixon, Norton, Riddell.

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COMMITTEE STAFF

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Brian B. Caldwell, Director of Research

Helen Giraud, Assistant Secretary

Estelle Solursh, Assistant Secretary

Max L. Rapoport, Q.C., Counsel

Gayle V. Roberts, Secretary

